

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 continue to make good progress in the delivery of the 2024/25 audit plan and remain on schedule with our planned internal audit delivery.

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

- ▶ Parks and Street Care (PASC)
- ▶ Fleet Management
- ▶ Budget Management
- ▶ Procurement and Contract Management.

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	Francesca 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)	Francesca Whyley, Deputy CEO	March 2025	✓	✓	✓	Advisory Report	
IT Disaster Recovery Plan Parks and Street Care (PASC)	Tina Adams, Chief Financial and S151 Officer	June 2025	✓	✓	✓	M	L
Fleet Management	Sarah Troman, Director of Operations	June 2025	✓	✓	✓	M	M
Temporary Accommodation	Tina Adams, Chief Financial and S151 Officer	March 2025	✓	✓	✓	M	L
Budget Management	Tina Adams, Chief Financial and S151 Officer	June 2025	✓	✓	✓	M	M
Procurement and Contract Management	Francesca Whyley, Deputy CEO	June 2025	✓	✓	✓	M	M

REVIEW OF 2025/26 WORK

AUDIT	EXEC LEAD	AUDIT COMMITTEE	PLANNING	FIELD WORK	REPORTING	DESIGN	EFFECTIVENESS
Risk Management	Tina Adams, Chief Financial and S151 Officer / Francesca Whyley, Deputy CEO	September 2025	✓	✓			
Main Financial Systems (Fraud)	Tina Adams, Chief Financial and S151 Officer	September 2025	✓				
Asset Management - Commercial Assets	Mike Avery, Director of Place	March 2026	✓				
Asset Management - Residential Assets	Paul Whitworth, Assistant Director for Housing and Resettlement	December 2025	✓				
Freedom of Information Requests and Complaints	Natalie Osei, Assistant Director for Governance and Democracy	June 2026	✓				
Corporate Governance	Francesca Whyley, Deputy CEO	June 2026	✓				
People Services	Jennifer Lovett, Assistant Director for Workforce	December 2025	✓				
Cyber Security	Daniel Reason, Assistant Director for Digital, Data and Technology	March 2025	✓				

PARKS AND STREET CARE (PASC)

CRR REFERENCE: CR3 - HEALTH AND SAFETY AT WORK AND CR4 - ENVIRONMENTAL

Design Opinion



Moderate

Design Effectiveness



Limited

Recommendations

2

2

0



SCOPE

BACKGROUND

- ▶ Gedling Borough Council (the Council) are responsible for managing parks across the authority, including:
 - ▶ Arnott Hill Park
 - ▶ Burntstump Country Park
 - ▶ Burton Road Jubilee Park
 - ▶ Gedling Country Park
 - ▶ Breck Hill Park.
- ▶ Parks are managed using the Zurich Crimson System for annual insurance inspections in accordance with the Parks and Open Spaces Byelaws. These parks are accessible for public use. British Standard 1176 (BS EN 1176) establishes a series of standards for playground equipment and surfacing in public play areas, including local authority parks. These provide standards on the installation, structural safety and inspections of play equipment to ensure they are safe to use.
- ▶ BS EN 1176 and the Health and Safety Executive recommend that play equipment in parks is inspected at least annually, including checks by independent specialists, such as the Royal Society for the Prevention of Accidents (RoSPA). To maintain the ongoing safety of equipment, more frequent proactive and reactive maintenance for equipment may be required.
- ▶ Local authorities are responsible for maintaining and ensuring the safety of trees in its public spaces, ie parks. Trees are categorised a risk rating depending on various factors, such as the size of the tree, use of the area it is in, proximity to children's play areas, etc. All trees must be inspected periodically, with higher risk trees inspected more frequently. The Council use the TreePlotter System (TreePlotter) to manage its trees across the authority. This system was implemented in August 2023.
- ▶ Reactive maintenance requests from the public are usually raised through the HandOver System (HandOver), the Council's customer services system.
- ▶ The Council are also responsible for street care within the borough, including street cleaning, littering collection, removing fly tipping and removing graffiti. In 2024 and 2025, the borough has suffered from flood events. These flood events have increased the demands on the Street Cleansing Team who are responsible for cleaning the street after these incidents.

PURPOSE

- ▶ The purpose of this review was to provide assurance over the operational management of the Parks and Street Care Team, including compliance with statutory requirements for health and safety. This audit covered inventory logging and the management of the Council's equipment used for parks and street care.

AREAS REVIEWED

As part of the scope of this audit, the following areas were reviewed:

- ▶ The Council's management plans for Gedling Country Park (2023-2029), Burton Road Jubilee Park (2022-2026) and Arnot Hill Park (2006-2026, revised edition) to assess whether there were effective policies and procedures for proactive and reactive maintenance of playground equipment and trees. We also considered whether these complied with relevant standards, including BS EN 1176, BS EN 1177, and other statutory requirements. Although, we are not providing assurance over full compliance with statutory legislation in this review.
- ▶ The Council's draft Tree Policy to assess whether it provides clear guidance on tree management, inspections, record-keeping, and staff training requirements, in compliance with British Standards.
- ▶ The Play Area Maintenance Procedure to assess whether it aligns with the RoSPA playground safety inspection guidelines and BS EN 1176 and EN 1177 standards.
- ▶ Weekly inspection forms for 12 December 2024 to 26 January 2025, covering various play areas, outdoor gym equipment, skate parks, and ball courts across the borough, to verify whether regular inspections were conducted in line with the inspection schedules. We also assessed whether sufficient documentation was retained for the inspections.
- ▶ Performed a walkthrough of TreePlotter, to assess whether trees are accurately recorded, with sufficient details of tree inspections, conditions, and maintenance requirements.
- ▶ A sample of ten reactive maintenance requests for playground equipment on HandOver between May 2024 and February 2025, to assess whether action was taken promptly to repair equipment in line with timescales set out in the Council's policies.
- ▶ A sample of ten reactive tree maintenance requests received on HandOver between May 2023 and October 2024, to assess whether the incident had been allocated a risk level and priority, and corrective action was taken promptly.
- ▶ The TreePlotter Works Records Report for scheduled maintenance between March 2024 and February 2025 to assess whether actions were taken promptly based on the risk rating and priority level. We focused on higher risk and urgent priority tasks.
- ▶ The Grass Maintenance Operating Procedure and risk assessments to ascertain whether mowing risk assessments, for operations on uneven or sloped surfaces are in place and subject to regular reviews.
- ▶ The Nottingham and Nottinghamshire Local Resilience Forum (the LRF) and the Gedling Borough Local Flood Response Plan and Winter Preparation Plan to assess the Street Cleaning Team's emergency response planning for post-flood event clean up operations.
- ▶ After Incident Reports following recent flood events in the borough to evaluate whether lessons learned were documented and incorporated into revised emergency plans for future incidents.
- ▶ Training records for flood responses, including the Severe Flood Warnings and Emergency Alerts training and Water Awareness and Safety training, to assess the preparedness and skill levels of the Street Cleaning Team for post-flood events street cleaning responses.
- ▶ The PASC Team's Vehicle, Plant and Machinery Management Policy to assess whether there are appropriate controls for recording and managing assets and inventory.
- ▶ The PASC Team's Plant and Vehicle Inventory Listing for February 2025 to assess whether inventory records are retained and updated, ie newly purchased items are added to the listing.
- ▶ A physical inspection of a sample of 20 items of equipment/inventory at the Council's depot to verify whether these are accurately recorded on the inventory log. We also assessed whether there were appropriate controls for daily checking in and checking out of inventory and assets to monitor where items are being used.



AREAS OF STRENGTH

For a Limited opinion report, we would not usually identify this many points in the 'Areas of Strength', however, as this scope covered a range of areas, we identified good practice over the management of certain areas. We identified the following areas of good practice:

Parks and Open Spaces

- ▶ There were adequate plans, policies and procedures for the management of Gedling Country Park, Burton Road Jubilee Park and Arnot Hill Park. These documents provide the control framework for how play equipment and trees are managed and inspected. These documents referenced statutory guidance and standards, including RoSPA guidelines and EN1176/EN1177 for playground safety.
- ▶ The Tree Policy was in draft however, it provides clear guidance and procedures for how trees are managed and inspected across the borough and reference BS 3998, BS 5837, and BS 8545.
- ▶ There is an inspection schedule for playground equipment with clear guidance on how these should be performed and the frequency of inspections. We reviewed a sample of weekly inspections forms completed between 12 December 2024 and 26 January 2025 and confirmed there was a suitable schedule for the RoSPA-trained Operative Maintenance Officer and other members of the PASC Team to perform proactive maintenance of playground equipment. Following inspections, there is a risk-based coding system for any repairs or maintenance required. These are:
 - ▶ Immediate Repair (I/R) - made safe within 24 hours with full repairs completed within six days
 - ▶ Normal Repair (N/U/R) - addressed within six days. Where immediate remediation is not possible, preventive measures are implemented, ie cordoning off affected areas.
 - ▶ For insurance purposes, independent assessments of play area equipment are recorded on the Zurich Crimson System.
- ▶ We reviewed a sample of reactive maintenance requests for play area equipment between 12 December 2024 and 26 January 2025 and confirmed that the work was performed promptly with safety-critical issues (broken swings, missing bolts, glass hazards) 'made safe' within 24hrs of the issue being reported by a member of the public. Timestamps are recorded for when an issue was reported and resolved, providing a sufficient audit trail.
- ▶ The PASC Team use a risk management framework for mowing operations in its Grass Maintenance Operating Procedure. To minimise health and safety risks to staff, it only mows banks annually. For sloped areas, specialist equipment is used, with appropriate safety features. Site specific controls are in place for higher risk areas.

Street Care

- ▶ The Council Street Cleaning Team's responsibilities for clearing the streets of debris as part of the flood response is incorporated into the Nottingham and Nottinghamshire LRF plan. The Street Cleaning Team's focus is on deploying sandbags, clearing drainage grids to improve water conveyance, and post-event clean-ups of the roads ensuring the clean and return of public services to normal levels.
- ▶ Council staff responsible for flood response planning, including the PAS Manager, receive bad weather alerts, supplemented by active monitoring of Met Office forecasts at higher risk times of the year. The purpose of this is to allow them to plan for the street cleaning response.
- ▶ Staff in the Street Cleaning Team have completed the Water Awareness and Safety Certification, provided by Rescue 3 International. Refresher courses have been provided to maintain knowledge and all certificates were valid until 2027. Staff have also had training on the street cleaning response to flood events.



AREAS OF CONCERN

Finding	Recommendation and Management Response
<p>The PASC Team estimates that only 40% of its tree stock is recorded on TreePlotter. TreePlotter automatically calculates the inspection timescales for trees depending on their risk level and provides evidence for previous inspections. The Council may be liable to significant fines or charges if it is unable to demonstrate that it has discharged its statutory duties for its trees, as other local authorities have been subject to these recently (Finding 1 - High).</p>	<p>A. The Tree Officer, overseen by the PASC Manager, should add all Council-owned trees onto TreePlotter. Each tree should be allocated a risk level and tree inspections should be recorded on the system.</p> <p>B. The PASC Manager should perform periodic audits to verify that all trees are recorded on TreePlotter and have been inspected in accordance with the inspections schedule.</p> <p>Management Response:</p> <p>The PASC Team acknowledge that approximately 40% of its tree stock is currently recorded on Tree Plotter. Work to record and monitor the stock commenced in September 2023 and will continue until all trees/sites are covered, which is expected to be approximately September 2027.</p> <p>Target Date: 8 April 2025</p>
<p>There were significant delays to reactive tree maintenance requests, later than the timescale that they should be addressed in based on the risk level. Furthermore, for scheduled maintenance, there were 92 overdue tasks on trees (Finding 2 - High).</p>	<p>A. The PASC Manager should, in liaison with the Director of Operations, establish a programme schedule to clear the backlog of 218 overdue scheduled maintenance tasks on TreePlotter and consider whether additional capacity can be found internally, or external contractors are needed to address these.</p> <p>B. The Tree Officer should establish a regular monitoring process for overdue tasks and send weekly reports to the PASC Manager to escalate urgent and high-priority overdue tasks.</p> <p>C. Notification and alert functionality on TreePlotter should be turned on and sent to the PASC Supervisor to identify when scheduled maintenance is due and to support the allocation of tasks.</p> <p>Management Response:</p> <p>There is a program in place to clear the backlog of 218 overdue tasks. The 126 tasks as regards planting new trees at Digby Park is complete. The other 92 tasks assigned to the Council's PASC Team are being caught up on. Forest Farm as an external contractor have also</p>

		<p>been commissioned to help address those remaining works.</p> <p>A regular monitoring meeting takes place on a weekly basis. The Tree Officer has now been requested to alert the Operations Manager in these weekly meetings of any high-priority overdue tasks, so that they can be identified and dealt with.</p> <p>The Notification and alert functionality on TreePlotter has now been turned on so that messages are sent to the Parks Supervisor and the Parks Operations Manager to further prioritise the allocation of tasks.</p> <p>Target Date: 8 April 2025</p>
	<p>There was inadequate management of inventory at the Depot, with inaccurate inventory logs and items that could not be located during our physical observation on 7 March 2025 (Finding 3 - Medium).</p>	<p>A. The PASC Team should undertake an inventory count to reconcile its items to the central Inventory Log. This should provide a 'single source of truth' over the inventory held in the Depot and on other sites by the PASC Team. This should record the location that the equipment is stored at.</p> <p>B. The PASC Team should label all inventory and equipment and cross-reference this to the Inventory Log to provide a clear trace to the item.</p> <p>C. Monthly or quarterly spot checks should be performed to confirm the existence of inventory on the Inventory Log. The checks should also include confirming the equipment held is recorded on the Inventory Log.</p> <p>D. The PASC Manager should allocate the responsibility to a member of the PASC Team for maintaining the Inventory Log. When items are purchased or disposed of, staff should be instructed to inform that individual so that they can update the Inventory Log.</p> <p><u>Management Response:</u></p> <p>The weakness in the management of the PASC general inventory at the Depot has been acknowledged. The base line central inventory has been updated and records the location that the equipment is stored at. The few items that could not be located during the physical observation on 7 March 2025 have been accounted for. All inventory and equipment are now labelled and inventoried and a program of application</p>

		<p>of HAVs monitoring tags on equipment is taking place. All new equipment is purchased, inventoried and then tagged with a HAVS monitoring tag before it is put into general release for staff to use.</p> <p>Quarterly spot checks have been programmed to confirm the existence of inventory on the Log and confirm the equipment held is recorded on the Inventory Log.</p> <p>When new equipment for Parks use is purchased, before use, it is sent to the Plant & Small Machinery Workshop where it is labelled and inventoried. At the same time the Plant & Small Machinery Workshop 'write off' machines as being beyond economic repair. This is not a function of the Parks Services. The Senior Plant & Small Machinery Workshop Fitter is responsible for 'Fleet numbering' the machines and updating the inventory accordingly.</p> <p>Target Date: 8 April 2025</p>
	<p>Staff do not consistently check items out of the Depot when it is being used, non-complying with the Council's policies, which could lead to lost or improper use of equipment. Furthermore, inadequate records were maintained for machinery sent to external contractors for servicing and repairs (Finding 4 - Medium).</p>	<p>A. The Parks and Street Care Supervisor should create a log for when inventory is checked in and out of the Depot for internal use by staff or for when it is sent to external contractors for repairs. This log should show a record of:</p> <ul style="list-style-type: none"> • Serial number of the item • Date and time the item was logged out of the Depot • Name of the person that logged the item out • If the item was sent to external contractors, the name of the contractor • Date and time the item was logged back into the Depot. <p>B. The Fleet Manager should reconcile invoices to actual work performed on vehicles for approving the payment of invoices for maintenance/repairs to vehicles or machinery.</p> <p>Management Response:</p> <p>The weakness in the management of the PASC general inventory at the Depot has been acknowledged. The base line central inventory has now been updated and records the location that the equipment is stored at. The few items that could not be located during the physical observation on 7 March 2025 have been accounted for. All inventory</p>

	<p>and equipment are now labelled and inventoried.</p> <p>The Senior Plant & Small Machinery Workshop Fitter is responsible for arranging external contractors to carry out work on GBC small plant and machinery if required and should be able to evidence a record of:</p> <ul style="list-style-type: none"> • Serial number of the item • Date and time the item was logged out of the Depot • Name of the contractor that logged the item out • Date and time the item was logged back into the Depot. <p>At the same time, they reconcile invoices to actual work performed on vehicles for approving the payment of invoices for maintenance/repairs to vehicles or machinery.</p> <p>Target Date: 8 April 2025</p>
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CONCLUSION

We have concluded that there was Moderate design of controls and Limited effectiveness of controls for managing PASC operations.

Control Design

The control design is Moderate because the Council generally has a sound system of internal controls designed to achieve its objectives, but there are some exceptions.

We have raised findings in this report that relate to inadequate controls being in place, but these relate to specific parts of the scope of this audit (tree and inventory management). Broadly, across other areas, such as the management of park equipment and street cleaning emergency responses, there were appropriate controls in place.

The Council has invested in TreePlotter to record and manage tree condition and inspections, but it was not being used properly, and a large proportion of trees had not been recorded on the system. Similarly, for inventory management in the Depot, Inventory Logs had been created and there was a sufficient policy in place for managing inventory, but it was not consistently followed, ie equipment was not checked out when in use.

Control Effectiveness






Due to the non-compliance we have identified, the control effectiveness is Limited because there was evidence of non-compliance with controls that may put the system objectives at significant risk. Particularly in relation to tree management and inspections, this could lead to significant reprimands for the Council if an incident were to occur and it had not discharged its duty appropriately. This has been the case at other local authorities where fines of up to £500,000 have been issued. There was an incident in April 2024 where one of the Council's trees fell and damaged a residential property, and an investigation found that there were inadequate records to demonstrate inspections.

Furthermore, we have raised a high finding about the number of overdue reactive and scheduled tree maintenance tasks on TreePlotter. Based on the risk level for the tree, timescales have been defined for when maintenance or inspections are required, but records on TreePlotter showed 92 scheduled maintenance tasks as overdue.

FLEET MANAGEMENT

CRR REFERENCE: CR7 - 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 LOSSES.

CR12 - 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.

Design Opinion	 Moderate	Design Effectiveness	 Moderate
Recommendations	 0	 4	 1



SCOPE

BACKGROUND

- ▶ Fleet management refers to all actions that need to take place to keep a fleet of vehicles running efficiently on time, and within budget. It is the process used by fleet managers to monitor fleet activities and make decisions the use and maintenance of vehicles.
- ▶ Gedling Borough Council (the Council) maintain a fleet of 64 vehicles, comprising of heavy goods vehicles (HGVs), sweepers and vans. These are used for waste and refuse collections, and parks and street care. The Council use FleetWave as its fleet management system.
- ▶ As the Council operate vehicles over 3.5 tonnes, it is required to hold an operator's licence (O-Licence) and meet the statutory maintenance and qualification requirements. Non-compliance with the requirements could result in the Council losing its O-Licence and incurring fines or other penalties. This places a responsibility on the Council to have sufficient systems and controls for some of the following areas (although this is not an exhaustive list):
 - Have satisfactory facilities and arrangements for maintaining vehicles in a fit and serviceable condition
 - Ensure drivers are trained, comply with drivers' hours rules and vehicles are not overloaded
 - Specify a suitable operating centre at which there is sufficient capacity for heavy goods vehicles used under the licence
 - Have appropriate personnel, driving and maintenance records for each vehicle.

PURPOSE

- ▶ The purpose of this review is to provide assurance over the Council's management of its fleet of vehicles, including its fleet replacement programme and maintenance, and compliance with statutory requirements.

AREAS REVIEWED

As part of the scope of this audit, the following areas were reviewed:

- ▶ Vehicle acquisitions to assess whether appropriate procedures were followed and vehicles were purchased from the Nottinghamshire Officers Transport framework. We sampled five recent purchases to ascertain whether decisions were made in accordance with the delegated authorisation levels, value for money was demonstrated, and environmental factors were considered.
- ▶ The last four disposals of vehicles by auction to verify that records were retained to justify the rationale for the disposal and the authorisation and confirmed that disposed vehicles were removed from the Council's Asset Register and O-Licence.

- ▶ Proactive vehicle servicing and repairs to confirm that these were timely. We also confirmed that statutory vehicle checks were scheduled and performed, ie MOT tests and Lifting Operations and Lifting Equipment Regulations (LOLER) checks. We tested a sample of five vehicles to verify these checks had been completed and enquired about processes to monitor inspection and servicing schedules and other statutory maintenance.
- ▶ Inventory management controls in the Vehicle Workshops, including how stock is monitored, stored and checked. We attended the Vehicle Workshops and observed these controls in practice and enquired stock management procedures.
- ▶ Walkthrough of on-site fuel management using the Triscan Systems (Triscan) fuel dispensing system. We enquired about how fuel key fobs are allocated and reconciliations between the fuel stocks and usage.
- ▶ Vehicle usage reporting on Quartix for period covering 31 March 2024 - 1 April 2025 for four Council-owned vehicles that are taken home by staff to identify trends and irregularities in the timings of vehicle use and journey patterns.
- ▶ A sample of five vehicles to verify that these were taxed, insured, MOT certified and serviced in accordance with statutory requirements and the Council's policies. We also enquired about processes in place for monitoring when these are due.
- ▶ A sample of five drivers to verify that they held appropriate licences, Certificate of Professional Competence (CPC) cards, and whether Drivers Vehicle Licensing Authority (DVLA) checks are regularly undertaken, Logistics UK Vision Compliance Platform (Vision) entries, and CPC qualifications were held.
- ▶ The Council's arrangements for compliance with its O-Licence, including maintenance and inspection schedules and monitoring of driver hour records using the tachographs. For vehicles with lifting functionality, we confirmed that LOLER certificates were maintained to demonstrate that these had been serviced.



AREAS OF STRENGTH

We identified the following areas of good practice:

- ▶ There were adequate arrangements in place to ensure vehicles were serviced and maintained in accordance with statutory timescales to verify that the vehicle was roadworthy. For instance, HGVs are serviced on an eight-week cycle, with a schedule in place to monitor this. We also confirmed that vehicles had LOLER certificates where appropriate.
- ▶ The Council have taken reasonable steps to reduce the carbon emissions of its fleet. A baseline review of its carbon footprint identified that 49% of the emissions from its own operations were from its fleet, therefore, this is a significant contributor to achieving its net zero targets. Approximately 90% of vehicles use hydrotreated vegetable oil (HVO) as a sustainable alternative to diesel. We also confirmed in our sample of five vehicle acquisitions that these complied with the Euro 6 Vehicle Emissions Standards.
- ▶ For a sample of five vehicles purchased in 2024/25, we confirmed that the justification for acquiring the vehicles were documented and value for money assessments were followed. The purchases were approved by the Senior Leadership Team. Four of the five vehicles were purchased from established framework agreements, with a direct award for the other vehicle.
- ▶ We reviewed a sample of five of the Council's drivers and confirmed that the drivers held UK driving licences and Driver CPC certificates (for those driving vehicles where this qualification is required). Checks were performed of changes to the driver's licence status on Vision.
- ▶ Tachograph and driver hour records were documented on external platforms to enable the Council to monitor the time drivers have spent operating vehicles to ensure it complies with the terms of the O-Licence.
- ▶ There are four Council-owned vehicles that designated members of staff take home outside of working hours as they may be required for callouts. We reviewed the journey logs for these vehicles using data from the Quartix System and did not

identify any inappropriate or clear personal use of these vehicles. This shows the departure and arrival location, miles travelled and journey time for each journey which appeared reasonable.

- ▶ The Council's Certificate of Motor Insurance provides comprehensive insurance cover to all its vehicles when operated by a Council employee. There were appropriate internal processes in place to remove disposed vehicles or add new vehicles to the insurance policy promptly.



AREAS FOR IMPROVEMENT

Finding	Recommendation and Management Response
Processes performed by the former Waste, Fleet and Depot Manager were not always documented but, since their retirement, have been re-allocated to other staff. The former Waste, Fleet and Depot Manager was the only Transport Manager for the O-Licence which is a condition of the licence. Albeit, the Council have submitted a request for a Period of Grace to the Traffic Commissioner and has planned for other staff to complete the relevant training to be the Transport Manager by the end of August 2025 (Finding 1 - Medium).	<p>A. The Fleet Operations Manager should internally train other service managers and supervisors on current processes that they perform to ensure there is continuity within the Fleet Team. They should also formally document the procedures they follow. This could be in a Transport and Compliance Manual and cover the key areas we have listed in this finding.</p> <p>B. The Council should train a suitably qualified individual to hold the role of the Transport Manager for the O-Licence. For succession planning, it should train more than one individual for the Transport Manager role.</p> <p>Management Response:</p> <p>The Waste Supervisors, newly appointed Fleet Operations Manager (FOM) and Service Support Assistant (SSA) supporting Fleet have already undertaken Vision training to enable closer monitoring of licence checks and tachograph compliance. In addition the newly appointed Waste Operations Manager has also been booked on to this training in June to provide additional resilience in this area.</p> <p>The new FOM has been set up on the current systems including fuel management, vehicle trackers, licence checker etc. and will have overall control of all these systems. The SSA will also have access to these systems and will assist in the maintaining accurate records.</p> <p>The FOM is booked to attend the CPC Transport Manager course in August 2025, and the new Assistant Director - Environment (Operations), (AD), will also be booked on soon after starting the role on 21st July 2025. Once qualified both of these postholders will be appropriate</p>

		<p>Operator Licence holders going forwards.</p> <p>Additional interim external support has been secured through APSE to provide a review of existing processes and procedures to ensure all requirements of the transport function are operating effectively and efficiently which will operate 1-2 days a week for a period of four months.</p> <p>The external support will also coach and mentor the new postholders to ensure they are fully competent in fulfilling their roles.</p> <p>In the meantime a Period of Grace has been formally requested from the Traffic Commissioner, which enables an operator who does not meet one of the mandatory licence requirements to continue operating and allows them time to rectify the issue during the period granted. The initial request is for a grace period of 3 months, with ongoing updates throughout the period to be provided on progress.</p> <p>Target Date: A. 31 December 2025 and B. 30 September 2025.</p>
	<p>Inventory and stock were not monitored or recorded effectively on a log or electronic system, increasing the risk of loss or misappropriation of items. This is mitigated by the fact that for larger items, these are ordered for immediate use for a vehicle and there is limited stock retained in the Vehicle Workshops (Finding 2 - Medium).</p>	<p>A. The Fleet Operations Manager should explore integrated solutions for inventory management for its vehicles, potentially using existing systems (ie FleetWave). We recognise that this may be a more expensive solution which, due to the low volumes of stock held in the Vehicles Workshop, may not be desirable. Therefore, we have provided an alternative recommendation in 2B.</p> <p>B. A spreadsheet or paper-based inventory management system should be implemented to record the stock held in the Vehicle Workshops and track the movements of these items (ie when they are ordered and used). This should include the following details:</p> <ul style="list-style-type: none"> • Name and description of the item • Brand or reference of the item • Quantity of the items held • Location for where these are held. <p>Fitters and other staff in the Vehicle Workshops should be instructed to</p>

		<p>update the inventory management records when items are ordered or used.</p> <p>For items that are considered obsolete but are still held as stock, the Fleet Operations Manager should consider whether these should be disposed of or sold, if they have a residual value.</p> <p><u>Management Response:</u></p> <p>A suitable budget has been secured to upgrade the existing Fleetwave system to enable more effective record keeping and information management relating to the fleet, along with integration with the in-cab system, Whitespace. This provides an opportunity to move towards recording stock information on the system going forwards and allocating parts to specific vehicles as they are used to provide more accurate whole life costing information, however this will not be immediate as a lot of work is required to implement this.</p> <p>In the interim a full stock take will be completed, and a more basic spreadsheet system will be implemented.</p> <p>Target Date: 31 March 2026 due to the rollout of the upgrade to FleetWave</p>
	<p>The Council has access to data about driver penalty points via TTC Continuum and Vision reports; however, these are not regularly monitored and follow up action is not taken with driver's that had received penalty points on their licence. There was also one HGV driver where there was no evidence on Vision that ongoing checks are performed (Finding 3 -Medium).</p>	<p>A. Driver penalty and conviction reports should be reviewed at a specific interval (ie monthly or bi-monthly) to identify any individuals operating the Council's vehicles who have incurred penalty points on their licence or have been disqualified from driving. These reports are available on TTC Continuum or Vision.</p> <p>B. For all operators of higher risk vehicles (ie HGVs), the Fleet Operations Manager should ensure that appropriate checks of these drivers are performed and recorded on Vision at appropriate intervals.</p> <p><u>Management Response:</u></p> <p>The current driving licence checks are carried out through Vision TTC Continuum, which includes information on all existing drivers and new appointees as part of their recruitment.</p> <p>The system has been set to automatically run reports every month to provide a dashboard of any infringements, and to routinely refresh individual licence checks every 6 months. This will provide</p>

		<p>the FOM and relevant Supervisors with the information needed to follow the Vehicle Driver Handbook and escalate any endorsements appropriately.</p> <p>The Vehicle Driver Handbook is due for a refresh to incorporate the use of the new in-cab software, which will provide an opportunity to provide more clarity on the process for dealing with any driver endorsements.</p> <p>Target Date: 31 October 2025</p>
	<p>There was a lack of documentation for disposals of vehicles to explain the rationale and authorisation for these, as required by the Financial Regulations (Finding 4 -Medium).</p>	<p>A vehicle disposal form should be created and completed before a vehicle is disposed of. This should include sections to:</p> <ul style="list-style-type: none"> • Explain the justification for the disposal of the vehicle and alternative options explored for the continued use of the vehicle. • Estimate the proceeds that will be obtained for the vehicle. • Justify the proposed method of sale and alternative options available. • Obtain the Chief Finance Officer authorisation for the disposal. <p><u>Management Response:</u></p> <p>All vehicles are sold through auction to ensure they achieve the best price reasonably obtainable, and their records updated on Fleetwave to provide a record of the date of disposal.</p> <p>Any vehicle replacements are identified on the Vehicle Replacement Programme, which is agreed with Finance annually, however going forwards a formal approval decision for each disposal can be created to provide a more robust audit trail.</p> <p>Target Date: 30 September 2025</p>



CONCLUSION

We have concluded that the Council have a Moderate design of controls and Moderate effectiveness of controls for the management of its fleet of vehicles.

Control Design

The control design is Moderate because there was generally, a sound system of internal control designed to achieve system objectives with some exceptions.

While we did not identify any significant areas of non-compliance with statutory legislation or requirements, there were a number of findings raised around the absence of formal controls to support effective management and monitoring of stock, drivers and fuel usage.

Furthermore, some of the processes performed by the former Waste, Fleet and Depot Manager were not consistently documented. Albeit their responsibilities have been allocated to other staff in accordance with the Staffing Review Report presented to the Appointment and Conditions of Service Committee in February 2025. A Transport

Manager has not yet been appointed to the O-Licence, which is a statutory obligation, following the departure of the former Waste, Fleet and Depot Manager, however a Period of Grace has been requested from the Traffic Commissioner. The new Fleet Operations Manager will complete the relevant CPC training to perform the Transport Manager role in August 2025.

Control Effectiveness

The control design was Moderate because there was evidence of non-compliance with some controls, that may put some of the system objectives at risk. Although, there were no instances of non-compliance identified with statutory legislation.

Vehicles were taxed, insured and had an MOT test and servicing in line with statutory timescales and the terms of the O-Licence. Drivers selected in our samples also held appropriate licences and qualifications for the vehicles that they were operating.

However, we identified that proactive monitoring and escalation was not in place for drivers operating Council-owned vehicles who had incurred penalty points on their driving licence. This included staff with leased cars.

There was also non-compliance with the Financial Regulations for the retention of documentation for vehicles disposed by the Council at a public auction. These did not explain the rationale or justification for the disposal.

BUDGET MANAGEMENT

CRR REFERENCE: CR1 - THE COUNCIL ARE UNABLE 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.

Design Opinion



Moderate

Design Effectiveness



Moderate

Recommendations



SCOPE

BACKGROUND

- ▶ Budget management processes support effective financial management for local authorities to mitigate the risk of overspends. Gedling Borough Council (the Council) set its budgets annually, with Full Council approving the budget prior to the start of the financial year. For 2024/25, Full Council approved the budget on 6 March 2024. This was for a Net Council Budget of £15.45m with £0.51m transferred from its ear-marked reserves. The budget for 2025/26 was approved by Full Council on 5 March 2025, with a balanced budget.
- ▶ The Local Government Association (LGA) have reported that there has been a growing challenge on local authority's finances amidst increasing cost pressures and demand on statutory services. Although, the Government announced in its Autumn Budget that it will be introducing multi-year settlements from 2026/27 which is expected to give Councils greater stability and certainty over its income, to help balance its budgets. Other expenditure for local authorities has continued to rise, including energy costs and national insurance contributions, plus general inflationary increases which place a challenge to budgets. To manage these rises in costs, the Council has increased its council tax precept by 2.99% in 2025/26 and is undertaking a savings efficiency programme.
- ▶ There has been an increase in local authorities issuing a Section 114 notice over recent years, including some high-profile councils. This prevents a local authority from any new spending commitments when it is unable to balance its finances. This increases the importance of effective budget management processes, to ensure that overspends are identified and addressed.
- ▶ The Council's unaudited accounts for 2023/24 were approved by the Audit Committee on 25 February 2025, reporting a small surplus on the provision of its services of £795,000. This followed a deficit of £6.2m in the prior year.

PURPOSE

- ▶ The purpose of the review was to provide assurance over the Council's budget management processes and procedures.

AREAS REVIEWED

The following areas were reviewed as part of this audit:

- ▶ The Financial Regulations and Budget Management Policy/Budget Book to ascertain whether the roles, responsibilities and consequences of non-compliance were clearly defined.
- ▶ Training for budget holders and service managers to assess whether this was sufficient to ensure that staff understand effective budget management principles and the Council's budget management processes.
- ▶ Enquiries to five budget holders over the support provided by Finance Business Partners (FBPs) on monitoring budget performance.

- ▶ Reporting to departments and service managers, the Senior Leadership team (SLT), Budget Performance Board and Cabinet on performance against the budget, including any variances and overspend.
- ▶ The effectiveness of the virement process for changing budgets throughout the year to assess whether it was clear, and amendments were approved at an appropriate level. We selected a sample of eight virements to assess whether they were approved in accordance with the Financial Regulations.
- ▶ The process for assessing budget variances and action planning against them.



AREAS OF STRENGTH

We identified the following areas of good practice:

- ▶ The Financial Regulations and Budget Management Policy clearly outline the responsibilities for budget management and reporting requirements to support effective oversight and monitoring. This is at the higher level for the Chief Financial Officer, the Audit Committee and Cabinet. Both policies were up to date and were approved by Cabinet with the Constitution in March 2025.
- ▶ We interviewed five budget holders to ascertain how budget management operates in practice. We were informed that there is sufficient support from FBPs who advise budget holder on how to effectively manage budgets. They informed us that FBPs were accessible and have taken time to understand the operational nuances and complexities of budgets for certain departments, ie where costs are rising across the sector. and are available to answer questions and deal with issues that arise. They also confirmed that FBPs have assisted in submitting bids for grant funding and setting fees and charges, to help build realistic budgets. We understand that the Council will be undertaking a zero-base budgeting process for certain departments in 2026/27 to focus on potential cost savings and improving the management of its budgets.
- ▶ There was adequate reporting to SLT and Cabinet to support effective budget monitoring and scrutiny. Budget variances were presented clearly with narrative to explain the reasons for these and potential mitigations to manage them. Additionally, the Budget Monitoring and Virement Report is submitted to Full Council on a quarterly basis to provide Members with oversight of budgetary performance and changes.



AREAS FOR IMPROVEMENT

Finding	Recommendation and Management Response
Introductory training is provided for budget holders, however, there is not ongoing refresher training. We interviewed FBPs and budget holders who all informed us that more regular budget management training would be beneficial and allow for more accountability for budget holders over their budgets (Finding 1 - Medium).	<p>A. The Finance Team should liaise with budget holders to develop a formal training needs analysis for ongoing refresher training. This may factor in the risk level for the budgets being managed by the budget holders and their experience in managing budgets. This should inform refresher training for budget holders at intervals.</p> <p>B. Once Agresso has been updated, a 'how to' guide should be developed to advise staff on how they can extract reports from the system, what key terms mean and functionality in the system that supports budget management. This could be in a written format or interactive videos that are uploaded onto the Council's intranet.</p>

		<p>Management Response:</p> <p>A. Training needs will be assessed through the Budget & Performance Board and will be on the Agenda as a standing item commencing in June 25.</p> <p>B. A written guide will be prepared once the system has been upgraded later in the year.</p> <p>Target Date: A. 30 June 2025, B. 30 September 2025</p>
	<p>Action logs are not in place to monitor the completion of actions agreed by budget holders and FBPs in the monthly budget monitoring meetings (Finding 2 - Medium).</p>	<p>A. A Standard Operating Procedure should be implemented for monthly budget management processes, outlining the responsibilities of budget holders to have reviewed and provided narrative for variances between actual and budgeted performance.</p> <p>B. An action log should be created to record actions agreed at one-to-one meetings between budget holders and FBPs. This should be reviewed at subsequent meetings until actions have been closed.</p> <p>C. An action log could be presented to the Performance and Management Board periodically to summarise all outstanding actions for budget holders.</p> <p>Management Response:</p> <p>Budget meeting notes are taken at budget meetings and any narrative and any budget adjustments that are needed are recorded on the RQBC. This ensures budgets are amended accordingly in line with most recent forecasts. Actions for budget managers to rectify are not currently formally held in a central position and are usually communicated through a series of e-mail communication. Directors are advised of any significant issues through SLT.</p> <p>A budget management operating procedure will be compiled once the system has been upgraded to reflect any changes in the system and provide clarity on what is expected of budget managers.</p> <p>An action log will be created and maintained for the first period of budget monitoring in July 25.</p> <p>Outstanding actions will be raised at Performance & Management Board.</p> <p>Target Date: 31 August 2025</p>



CONCLUSION

We have concluded that the Council have a Moderate control design and control effectiveness for budget management. We have only raised two Medium and one Low findings, however, due to the wider landscape of budget management across the local government sector, it is an inherently higher risk area. The Council have delivered a balanced budget in 2024/25, however, there has been a reliance on transferring funds from earmarked reserves. This is set to continue into 2025/26, with a budgeted movement of £808,200 from its reserves, amidst an increasing cost base. The Council have taken steps to address this, including its efficiency savings programme and zero-base budgeting, but, as with other local authorities, budget management remains a challenge. This places a high importance on approved budgets being managed properly and effectively.

Control Design

The control design is Moderate because there was generally a sound system of internal control designed to achieve system objectives with some exceptions. In practice, despite the wider budgetary challenges, internal processes were generally sound.

Budget holders were broadly satisfied with the support and the quality of information provided by the FBPs to ensure they are aware of their budgetary performance. Furthermore, this was reported to the SLT, Cabinet and Full Council periodically. To ease capacity challenges in the Finance Team, the Budget Monitoring Report is prepared four-monthly rather than quarterly but there was monthly monitoring between budget holders and the Finance Team.

We were informed by budget holders that there could be opportunities to further improve budget management by providing refresher training and creating guides on how to use Agresso and effectively manage budgets. Furthermore, actions from one-to-one meetings with budget holders were not documented.

Control Effectiveness

The control effectiveness was Moderate because there was evidence of non-compliance with some controls, that may put some of the system objectives at risk. Specifically, the Virement Form was not up-to-date to reflect changes to the Leadership Team structure, and in some instances there was two signatures needed for approval and in others there were three.

PROCUREMENT AND CONTRACT MANAGEMENT

CRR REFERENCE: CR5 - 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

Design Opinion	 Moderate	Design Effectiveness	 Moderate
Recommendations	 0	 2	 0



SCOPE

BACKGROUND

- ▶ Procurement and contract management are critical to ensure that local authorities achieve value for money and provides effective service delivery that complies with statutory legislation. Gedling Borough Council (the Council) have implemented a new e-procurement system (Intend), in collaboration with Bolsover District Council (BDC).
- ▶ The Procurement service was previously outsourced to North East (NEDDC) Derbyshire District Council to administer. This included: performing due diligence checks and retaining evaluation records. The Council have recently changed its supplier for this service to Orbis Procurement in April 2025. Orbis Procurement is a public sector shared procurement service, hosted by East Sussex County Council and Surrey County Council.
- ▶ The Council have recruited a new Contract and Procurement Manager who started in April 2025. This role has been created as part of their Transformation Programme.
- ▶ The Council's Contracts and Procurement Procedure Rules are included in Section 22 of its Constitution. This sets out the procurement processes that should be followed for different levels of spend, including preliminary market testing, evaluating quotes and tenders, and contracting suppliers.
- ▶ The Procurement Act 2023 (the Act) received royal assent on 26 October 2023 and was due to come into force in October 2024. This was delayed by central government and so the legislation went live in February 2025. The new Act is designed to simplify the bidding process to work with the public sector and make commercial frameworks more open. A new Procurement Review Unit (PRU) will also be established for better oversight of the adherence to the new Act's requirements.
- ▶ In preparation for the new Act, the Council have updated its Contracts Register on the Intend System (the procurement system). It has also conducted a compliance exercise of spend with suppliers to identify any aggregated purchases or suppliers used by several departments. This could enable efficiency savings to be developed.

PURPOSE

- ▶ The purpose of the review was to assess the effectiveness of the Council's procurement and contract management processes and its preparedness for the new Procurement Regulations which came into full effect in February 2025. The audit also evaluated the Council's contract management arrangements with key suppliers to ensure proper oversight of contractor performance and timely escalation of issues.

AREAS REVIEWED

As part of the scope of this audit, the following areas were reviewed:

Procurement

- ▶ The Financial Regulations and Procurement Strategy to assess whether these provide clarity on the Council's procurement requirements and comply with regulatory requirements.
- ▶ Processes for assessing annual supplier spend to ascertain whether the Council have appropriate controls in place to detect aggregated spend to avoid procurement requirements.
- ▶ A sample of eight suppliers with different levels of spend to assess whether appropriate procurement processes had been followed. Specifically, we assessed whether:
 - Quotes or tenders were received and evaluated in accordance with the Contract and Procurement Procedure Rules
 - Multiple suppliers were evaluated, and evidence of the supplier evaluation was documented with sufficient rationale for the selection of the successful supplier
 - Contract notices and award notices were published on Contracts Finder or the Find a Tender Service, as appropriate
 - Financial and reputational due diligence was conducted on suppliers before entering into legal agreements.
- ▶ Preparedness for the implementation of the Act to assess whether adequate governance and operational changes were made to ensure the Council are complied with new or amended requirements. This included review training sessions and updates to templates.

Contract Management

- ▶ Ascertain whether contracts were recorded on a central contract register and the accuracy and completeness of this. Also, assess whether the Council monitor the procurement pipeline to identify when contracts are due to end so that sufficient time was available for a procurement process to take place or quotes to be obtained from multiple suppliers.
- ▶ For the same contracts as those tested in the procurement sample, we assessed whether:
 - Contracts had been signed by both parties and had been retained
 - Contracts had break clauses or penalty clauses for poor performance
 - Contract management procedures were in place to monitor the performance of the suppliers and resolve or escalate issues for underperformance
 - Actions agreed with contractors in contract management meetings were recorded and followed up to support effective service delivery and improvement over the duration of the contract.
- ▶ Internal reporting to the Senior Leadership Team (SLT) for service critical or high value contracts to ascertain whether there was adequate senior oversight of performance of key contractors.



AREAS OF STRENGTH

We identified the following areas of good practice:

- ▶ The Council published a notice to amend its Constitution to comply with the requirements of the Act, with the new Contract and Procedure Rules approved by Full Council on 22 January 2025. This was to comply with the new requirements for procurement and contract management in the new Act.
- ▶ We reviewed a sample of eight contracts with suppliers from Contract Register, with varied values, and confirmed that in all instances:
 - The contract was signed by both parties
 - Contract notices were published on Contracts Finder, if over the value of £25,000, as required by statutory legislation
 - Live contracts were recorded on the Contract Register which was held on Intend
 - The contract had provisions for break clauses or a warranty for equipment.

- ▶ Through contract management processes, there have been instances where underperformance of contractors has been escalated to the Senior Leadership Team (SLT), eventually resulting in the termination of the contract. Broadly, only contracts where there was significant underperformance would be escalated to the SLT as performance is generally monitored by the contract manager, with support from Directors and Assistant Directors. The Council has introduced a new Risk Board in April 2025 to enable contract risks and issues to be escalated to SLT members where necessary.
- ▶ The Council undertook an exercise of analysing spend with its suppliers in October 2024 to identify potential non-compliance with its procurement procedures. For instances where the spend with suppliers exceeded procurement thresholds and contracts were not in place, the Legal Team met with the heads of departments to address knowledge gaps and non-compliance. An observation has been raised to ensure this is included within our follow up as the process should be completed annually.
- ▶ In-tend generates automatic notifications for when contracts are due to end to provide oversight of the procurement pipeline. The reminders are sent at different times depending on the type of contract to allow a sufficient lead-in time to evaluate options for the renewal of the contract or service provided.



AREAS FOR IMPROVEMENT

Finding	Recommendation and Management Response
In our sample of contracts, due diligence checks were not retained or completed in all instances to identify any financial or reputational risks of engaging with a supplier. These were the responsibility of NEDDC to perform and will be the responsibility of Orbis Procurement under the new contract (Finding 1 - Medium).	<p>A. Due diligence thresholds for suppliers (based on value or risk level of the contract) should be documented in the Procurement Strategy or Policy. The Council may wish to consider a minimum credit score for a supplier before entering into a contract. We have provided an example in Appendix I of due diligence guidance used by a different public sector organisation.</p> <p>B. The Council should obtain the original credit report for new suppliers from Orbis Procurement and retain this on Intend to obtain assurances over the supplier's credit score. It could seek to obtain subsequent credit scores on suppliers during the contract to obtain assurances over the supplier's financial sustainability over the whole contract term. Annual intervals may be appropriate for these ongoing checks.</p> <p>Management Response:</p> <p>The Council is currently undertaking a piece of work around Due Diligence of suppliers, which include the following:</p> <ul style="list-style-type: none"> ▶ All procurements under £30k will have a minimum Red Flag score. The score is yet to be determined, however the score table provided seems like a good starting point.

		<p>Once agreed this will be built into new tender templates.</p> <ul style="list-style-type: none"> ▶ The Procurement manager is working with finance staff to develop an in depth financial analysis for over threshold procurements and potentially any other procurements deemed to be higher risk. ▶ We are currently considering the use of patent Company Guarantees, there will be a new PCG section in the new ITT template, consideration will be given to mandating on over threshold tenders. ▶ Potentially some due diligence around modern day slavery, human trafficking and child labour in high-risk markets. <p>Target Date: 30 September 2025</p>
	<p>There were inconsistencies in contract management processes for different contracts, with documentation not being retained to demonstrate monitoring and oversight of contractors in some instances. The Act places more responsibilities of public authorities for monitoring supplier performance and publishing contract notices for underperforming suppliers (Finding 2 - Medium) (Finding 2 - Medium).</p>	<p>A. The Council should develop a contract management guide for staff to refer to for minimum expectations for contract management. This should have thresholds for the expectations based on the level of spend and/or the risk of the services, ie whether they are critical to the Council service delivery objectives. This should ensure that there is sufficient contract performance monitoring and evidence retention to fulfil the Council's obligations under the Act, ie publishing contract notices.</p> <p>B. Training on the basic and fundamental principles of contract management should be offered to contract manager, particularly those that have limited experience of managing contract. E-learning modules for public sector organisations could be used to support this, eg Civil Service Learning or the Government Commercial College, which are used by other public sector organisations. Providing training to contract managers is identified as an action in the Procurement Strategy.</p> <p>Management Response:</p> <p>The newly appointed Procurement Manager is currently looking at a number of areas within contract management to aim to strengthen the process including:</p> <ul style="list-style-type: none"> ▶ A specification template using mandatory sections where service areas will be able to demonstrate

		<p>the bidder has met KPI and minimum performance requirements. This will create focus on contract management and the template will have a set section on contract management to consider from the outset of the contract. Some standard questions are also being developed on the bidder's approach to contract management when creating the tender.</p> <ul style="list-style-type: none"> ▶ Training on contract management will be developed and rolled out; in addition, Drop-in clinics with service areas are being developed to support managers with contract management. A database is intended to be built to track and monitor contract performance. ▶ A section in the ITT will focus on contract-based risks, which will help us to have an effective contract variation process in place which is compliant. ▶ A mandatory section in the ITT is being developed for KPI's to enforce contract management into the tender. <p>Target Date: 31 October 2025</p>
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CONCLUSION

We conclude that the Council has a Moderate design and effectiveness of controls for the management of procurement and contract management. Due to changes in legislations, there have been new requirements placed on local authorities to ensure more transparent reporting of procurement and contract management. The Act has streamlined other processes, making it simpler supplier to access commercial frameworks. The Act went live in February 2025, therefore, most of the contracts that we reviewed pre-dated these requirements. However, we have assessed the actions taken by the Council to prepare for the Act.

Control Design

The control design was Moderate because there was generally a sound system of internal control designed to achieve system objectives with some exceptions. Procurement support and administration was provided by NEDDC; however, the Council have recently signed a contract with Orbis Procurement for these services. There has also been limited central resource to monitor procurement processes in the past, but a Contract and Procurement Manager joined the Council in April 2025, which is expected to improve these. As such, several recommendations from our Procurement and Contract Management audit in 2021/22 (Limited/ Moderate) were still outstanding prior to this review. Key findings in the previous report included, contracts missing from the contract register, a lack of control for contracts coming towards renewal, a lack of contract procedure rules alignment to strategy and the lack of a social value policy. There have been improvements in these areas as the contracts register is now up to date including the contracts we reviewed, the Intend system sends notifications to alert contract managers for contracts due for renewal, in advance and the contract procedure rules are up to date including a social value focus. However, in the last report there was a high finding as a result of a lack of contract management arrangements, after several years

there is still not a consistent approach to contract management across the council as raised in finding 2.

The Council have updated its Contract Procedure Rules to incorporate the requirements of the Act and provided some training and guidance to staff on this. However, there was no formal guidance on the expectations for contract management which led to inconsistent procedures and a lack of documentation to demonstrate contract management in some instances. Furthermore, contract managers were not provided with formal training. This has been recognised in the Procurement Strategy for 2025-27 as an action to take forward.

Control Effectiveness

The control effectiveness was Moderate because there was evidence of non-compliance with some controls, that may put some of the system objectives at risk.

We identified some contracts where there was inadequate evidence for due diligence checks performed on the supplier to provide the Council with assurances that financial and reputational risks were in line with its risk appetite.

With the changes that the Council have made, increasing resources for procurement and contract management, is expected to address these areas of non-compliance. This acknowledges the feedback that the Council received from external consultants, Spend Solutions, that there had been under-investment in the procurement function.

LOCAL GOVERNMENT 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, Non-Executive Directors and Executive Directors.

SECTOR UPDATE
PENSION SCHEME REFORM
<p>PENSION SCHEME REFORMS TO BOOST BENEFITS AND TACKLE INEQUALITY</p> <p>CHANGES WILL MEAN MORE MONEY IN THE POCKETS OF HARD-WORKING PEOPLE WHEN THEY REACH RETIREMENT, DELIVERING ON GOVERNMENT'S PLAN FOR CHANGE</p> <p>Street cleaners, school cooks and other dedicated public servants are set to benefit from a package of reforms to the Local Government Pension Scheme (LGPS) with an aim to 'end discrimination and lead to more money in people's pockets'.</p> <p>Measures announced on the 15 May 2025 build on the government's wider Make Work Pay agenda that will back millions of workers by banning exploitative zero-hours contracts, ending 'Fire and Rehire' and 'Fire and Replace' practices and strengthening statutory sick pay.</p> <p>The Local Government Pension Scheme for England and Wales will become the first public service pension scheme, of which 74% of the scheme's seven million members are women, to make all maternity, shared parental and adoption leave automatically pensionable.</p> <p>Issues with current regulations that saw survivors of members receiving smaller pensions based on their relationship type will be fixed, ending historic inequalities. Loopholes that allow those guilty of serious offences to continue benefitting from the pension scheme will also be closed, as part of a crackdown to ensure public servants' money does not go to those who do not deserve it.</p> <p>In addition, an age cap currently in place that requires an LGPS member to have died before the age of 75 for their survivor to receive a lump sum payment will also be abolished.</p> <p>The government is also taking steps to keep people in the scheme by enhancing data collection on why people opt out, in a bid to ensure as many people as possible benefit.</p> <p>A consultation on the proposed reforms to LGPS members' benefits is open for 12 weeks, and those affected are encouraged to register their views.</p> <p>Pension Scheme reforms to boost benefits and tackle inequality - GOV.UK</p> <p>FOR INFORMATION: AUDIT COMMITTEE AND THE SENIOR LEADERSHIP TEAM</p>
LOCAL DEMOCRACY
<p>REFORM UK TAKES CONTROL OF NOTTINGHAMSHIRE COUNTY COUNCIL</p> <p>On the 2 May 2025, Reform UK became the majority party in Nottinghamshire County Council. The group secured 40 of the Council's 66 seats, surpassing the required majority of 34. The Conservatives, who previously had a majority, are now the main opposition with 17 councillors, with Labour in third with four seats.</p> <p>The Reform UK Member of Parliament for Ashfield has noted that the first thing that will be looked at is where money is being spent and where savings can be made, with funding expected to be taken from net zero teams and reallocated to frontline services. The Leader of Reform UK has stated that they want to see "a Doge in every county", referring to the Department of Government Efficiency which has been set up in the United States of America.</p> <p>In other authorities, Reform UK has proposed ending working from home practices.</p> <p>Reform takes control of Nottinghamshire County Council - BBC News What now for Nottinghamshire County Council after Reform win? - BBC News</p> <p>FOR INFORMATION: AUDIT COMMITTEE AND THE SENIOR LEADERSHIP TEAM</p>

COUNCIL FUNDING GAP

SPENDING REVIEW: COUNCILS COULD FACE £8BN FUNDING BLACK HOLE BY 2028/29

Analysis by the Local Government Association (LGA) on the 14 February 2025 revealed that Councils in England could face a £1.9 billion gap in 2025/26 rising to £4.0 billion in 2026/27, £6.0 billion in 2027/28, and £8.4 billion in 2028/29 without adequate funding in place.

In its submission to the Treasury ahead of the Spending Review, the LGA demonstrated the vital role councils have in Government reform and its growth agenda and the negative impact of not investing across the many critical council services relied upon everyday by millions of people.

Without urgent action in the Spending Review announced by the Chancellor on the 11 June 2025, many councils will be left with having to make impossible choices on what desperately needed services can be provided in the future, as well as missing opportunity to boost growth and reform.

Last year 18 councils required Exceptional Financial Support (EFS) to set their 2024/25 budgets. Of those who responded to the LGA's survey, 25 per cent of Chief Financial Officers (CFOs) now say that their council had either applied for EFS to support their 2025/26 budget or that they expected to do so in 2025/26 or 2026/27. This is indicative of the growing financial emergency facing councils.

The continued implementation of one-year settlement for councils, has severely hindered the ability to plan services and deliver to local communities. The commitment from the government to provide councils with three-year settlements is therefore encouraging.

This is still a critical time for councils, which are experiencing continued financial strain resulting from long-standing funding reductions and are expected to worsen as costs and demand pressures rise at an increased rate.

New costs associated with employer National Insurance Contribution changes not fully compensated by the government, alongside demographic change, inflation and unfunded rises to the National Living wage further exacerbate this challenge.

The LGA revealed that if current cost and demand trends continue, by the end of 2028/29 cost and demand pressures would add £21.4 billion to the cost of delivering council services since 2024/25. This is 29.8 per cent in additional service costs.

Spending Review: Councils could face £8bn funding black hole by 2028/29 | Local Government Association

FOR INFORMATION: AUDIT COMMITTEE AND THE SENIOR LEADERSHIP TEAM

DEVOLUTION AND LOCAL GOVERNMENT REORGANISATION

THE DEVOLUTION AND LG REORGANISATION HUB

BRINGING TOGETHER INFORMATION AND RESOURCES ON DEVOLUTION AND LOCAL GOVERNMENT REORGANISATION FOR PUBLIC AND LOCAL AUTHORITIES.

Following the publication of the English Devolution White Paper, the LGA have been working at pace to respond to, and digest the proposals and their respective opportunities and risks.

Our position is clear: we want every council in England to have the ability to secure devolution that works for them, their local economies, and their residents. The devolution of powers and resources can play a huge role in promoting inclusive economic growth, creating jobs, and improving public services. In a very centralised country, moving funding and power from Whitehall to local leaders is needed.

Devolution

Devolution will provide greater freedoms and flexibilities at a local level, meaning councils can work more effectively to improve public services for their area. The result will be more effective, better targeted public services, greater growth and stronger partnerships between public, private and community leaders in local areas.

Local government reorganisation (LGR)

The government has announced that it will facilitate a programme of local government reorganisation for two-tier areas and for those unitary councils where there is evidence of failure or where their size or boundaries may be hindering their ability to deliver sustainable and high-quality services for their residents.







Proposed reforms in the White Paper will have a significant impact on every council and community. We remain clear that local government reorganisation should be a matter for councils and local areas to

decide. There are differing directions of travel underlining the diverse range of views about devolution and local government reorganisation that exist within the local government sector. The LGA will continue to respect each perspective and each choice equally.

The devolution and LG reorganisation hub | Local Government Association





FOR INFORMATION: AUDIT COMMITTEE AND THE SENIOR LEADERSHIP TEAM

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 received two responses to our audit satisfaction surveys for 2024/25 reviews, with an average score of 4.3/5 for the overall audit experience and for the value added from our work. The number of responses is lower than we would expect and we will work with the management team to increase the number of responses to our surveys.	  
Completion of audit plan	We have completed our work on the 2024/25 Internal Audit Plan.	

APPENDIX I

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:

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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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