



Additional / To Follow Agenda Items

This is a supplement to the original agenda and includes reports that are additional to the original agenda or which were marked 'to follow'.

Nottingham City Council Audit Committee

Date: Friday, 23 February 2024

Time: 9.30 am

Place: Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG

Governance Officer: Kate Morris **Direct Dial:** 0115 8764214

Agenda	Pages
8 Internal Audit Report - No Assurance Report of the Corporate Director for Finance and Resources	3 - 6
9 Internal Audit Update including Limited Assurance Audits and High Priority Recommendations Report of the Corporate Director for Finance and Resources	7 - 36
18 Internal Audit Report - No Assurance - Exempt appendix Report of the Corporate Director for Finance and Resources	37 - 42

This page is intentionally left blank

Agenda Item 8

Audit Committee – 23 February 2024

Title of paper:	Internal Audit Report – No Assurance Reports	
Director(s)/ Corporate Director(s):	Ross Brown, Corporate Director of Finance & Resources	Wards affected: All
Report author(s) and contact details:	Simon Parsons John Slater Audit Manager Group Assurance & Audit Governance Manager	
Other colleagues who have provided input:	None	
Does this report contain any information that is exempt from publication? Yes An appendix to this report is exempt under paragraph 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information). It is not in the public interest to disclose this information because it highlights a weakness in the Council's systems that potentially poses a risk to the security of the council's buildings and assets contained within them		
Recommendation(s):		
1.	Consider the responses from management regarding action taken to date two follow-ups	

1. Reasons for recommendations

- 1.1 The Public Sector Internal Audit Standards set out the role of the Audit Committee in relation to Internal Audit and the standards include the requirement to receive reports from Internal Audit on significant risk exposures and control issues.
- 1.2 This report has been submitted to update Committee on the results of completed follow up reviews in respect of two 'No Assurance' reports previously reported in September.

2. Follow-up of No Assurance Reports presented in September 2023

Appointeeship

- 2.1 The following concerns arose from our report
 - System used to manage the finances of citizens not fit for purpose.
 - Lack of transparency over balances held, true position for each citizen not apparent. This impacts on the Council's ability to demonstrate that it is acting in the best interests of each client.
 - No effective monitoring of appointeeship accounts, with the risk that inaccurate information is passed to the DWP
 - Inadequate separation between citizen's monies and NCC funds.
 - Council holding in excess of £1m in respect of deceased persons accounts
- 2.2 As requested by the committee we have recently followed up the concerns and found that progress is being made to address the recommendations as set out in Appendix 2 with:

- Procedures and procedure guides relating the Financial Protection Module having been reviewed
- Decisions made on the “ARS Spare account” balances.
- Training has been provided to colleagues to ensure ARS have some resilience in the operation of the Financial Protection Module.
- Balances on Appointeeship accounts have been reviewed. Ascertained balances on externally held savings accounts have been reported to the DWP and to the Deputyship Team.
- However, the fundamental issues surrounding the use of the Financial Protection Module still exist. In mitigation it is fair to state that a decision has been made to transfer all live appointeeship clients to the Deputyship Team, where their accounts will be administered using the more appropriate CASPAR system. A project plan has been developed to manage and control the transfer process and at the point of our follow-up 21 clients have been transferred to the Deputyship Team. 262 still needed to be processed. We acknowledge that external factors, such as the DWP and Lloyds Bank ability to process change requests promptly will hamper the progress of this transfer process.

2.3 Whilst we accept the steps taken as set out above and the limitations noted, the fundamental issue still exists in that there is no transactional transparency for the existing system, therefore our opinion at this stage remains as **No assurance**.

2.4 The service will provide a verbal update of progress made and how they intend to pursue their action plan to address the Internal Audit recommendations.

HR/Payroll

2.5 The following concerns arose from our report

2.6 Particular areas of concern included:

- An absence of ownership & accountability within HR & EDI for ensuring organisational compliance with internal controls and critical processes, i.e. no monitoring of compliance and no challenge to non-compliance.
- The Pay and Governance Board had not met since the Covid Pandemic.
- Inability to demonstrate compliance with legislation in relation to Right to Work Checks for employees under Transfer of Undertakings (Protection of Employment).
- Overpaying and underpaying employees in a number of different ways.
- HR & EDI not applying the Special Payments Guidance consistently, creating an equal pay liability risk. Scrutiny, review and monitoring set forth within the policy had not been undertaken.
- HR & EDI assert line managers are responsible for ensuring pay is correct but Line Managers were often unable to explain why pay decisions have been taken for employees under their responsibility and storage of documentation to explain decisions about pay is inadequate
- A number of data quality / integrity issues affecting the Oracle Fusion HCM system in its use and outcome.

- 2.7 As requested by the committee we have recently followed up the concerns and found that the original concerns remain current as set out in Appendix 3, therefore our opinion at this stage remains as **No assurance**.
- 2.8 Key points from this follow up included:
- We still assess that there is poor system of internal control and consistent non-compliance with key controls resulting in monetary impact to the organisation affecting its ability to achieve its objectives.
 - We recognise work is ongoing to improve controls and some monitoring of non-compliance has taken place, but controls do not appear to be in regular operation to address non-compliance across the organisation.
 - The Pay Governance Board responsible for monitoring the application of the council's pay policy has met once but was deprioritised in November 2023. There is a need for more data to support the board and it is not clear if non-compliance identified by the board will be adequately challenged.
 - Issues with employee pay, caused by failures in the automated progression of grade were resolved through changes in overall organisational pay rather than action taken by HR & EDI to address issues identified by Internal Audit. There is a risk these issues could reoccur and it is not clear if exception report monitoring will continue beyond July 2024.
 - Redesign of establishment controls have been under development with PWC for nine months and are not operational at this time. We have no information about the proposed monitoring activity to ensure the controls are in operation, which is an important consideration in view of the historic weaknesses in the organisation's compliance with policy.
- 2.9 The service will provide a verbal update of progress made and how they intend to pursue their action plan to address the Internal Audit recommendations.
- 3. Background papers other than published works or those disclosing exempt or confidential information**
- 3.1 None
- 4. Published documents referred to in compiling this report**
- 4.1 Public Sector Internal Audit Standards (2017 update)

This page is intentionally left blank

Agenda Item 9

Audit Committee – 23 February 2024

Title of paper:	Internal Audit Progress Update Q3 2023/24	
Director(s)/ Corporate Director(s):	Ross Brown, Corporate Director of Finance & Resources	Wards affected: All
Report author(s) and contact details:	Simon Parsons John Slater Audit Manager Group Assurance & Audit Governance Manager	
Other colleagues who have provided input:	None	
Does this report contain any information that is exempt from publication? No		
Recommendation(s):		
1.	Note the progress in respect of the 2023/24 Internal Audit Plan	
2.	To note the progress reported in respect of high priority recommendations and determine any focus for intervention if considered necessary.	
3.	To note the areas marked as Limited Assurance and determine, if necessary, any intervention required.	
4.	To approve the update to 23/24 Internal Audit Plan and note the progress to date	
5.	To consider limitation of resources as required by PSIAS.	

1 Reasons for recommendations

- 1.1 This report provides objective assurance on whether Nottingham City Council (NCC) activities meet their objectives. It brings together:
- a summary of final Internal Audit reports issued since the last update and all reports in the period from 2021/22 to date
 - tracking of completion of high priority recommendations by the service areas concerned
 - the current position for the 2023/24 Internal Audit Plan
 - a summary of resourcing issues
- 1.2 The report enables Audit Committee to gain assurances and determine the focus for any interventions necessary.

2 Background

- 2.1 Internal Audit carries out a programme of audits each year including key financial systems, IT, and governance. This can include project or service audits or themed audits across the Council. In reporting its conclusions for these audits Internal Audit will recommend any actions it considers necessary to meet key objectives for the system and aims to agree an action plan with the audit client.

2022/23 Audit Plan

- 2.2 As previously reported to the committee, the submission of the Internal Audit Annual Report for 2022/23 was delayed due to the absence of the Head of Audit & Risk, who

is required to provide an opinion for the year. It is envisaged that this will be provided at the next meeting of the committee.

Resources

- 2.3 As part of the Council’s ongoing commitment to ensure its services and structures are fit for purpose, it is anticipated that the Audit service will be reviewed and redesigned. Proposals will be brought back to the committee.
- 2.4 The Committee was informed at the September meeting that the 2023/24 Audit Plan included a significant allocation of resource to provide some audit coverage within Housing (ex-NCH functions). Housing management planned to commission this work during 2023 but there have been delays and we have recently been informed that they are now not in a position to progress the matter. As we are currently in the last quarter of the year and are not in a position to commission this work ourselves, we have amended the Audit Plan to take account of this reduction.

Update

- 2.5 Annex B is a summary of the audits concluded since our last update report to the Audit Committee. Annex B2 summarises audits concluded since 2021/22 with the most recent outcome shown where there have been multiple reviews.
- 2.6 Annex C is executive summaries for audits identified in Annex B.
- 2.7 Annex D is tracked high priority recommendations reported in 2020/21, 2021/22, 2022/23 and 2023/24
- 2.8 Audit Committee’s attention is required to ensure that improvement is achieved in a timely manner, and to identify where further support or direction is needed. In many instances the areas identified for improvement will underpin the ability to improve across the Council.
- 2.9 Included within the summary in Annex B are two new ‘No Assurance’ reports; one of which will feature as an exempt appendix, the other will be submitted to a future meeting. Two ‘No Assurance’ reports included on the agenda in September will be updated at this meeting (HR/Payroll and Appointeeship) with a further opportunity for members to discuss progress with the responsible senior managers.

Progress on 2023/24 Internal Audit Plan

- 2.10 Annexe A is a summary of the position against the Internal Audit Plan for 2023/24

TABLE 1: ACTUAL v PLANNED AUDIT DAYS		
Total Planned Days	Actual to date	Comments
1942	1397	

- 2.11 Table 2 shows that in the year to date, acceptance of audit recommendations is above the target of 95% for all recommendations and is meeting the 100% target for high recommendations.

TABLE 2: RECOMMENDATIONS ACCEPTED		
	To Date	
	All	High
Total new recommendations made	88	39
Rejected	0	0
Total recommendations accepted	88	39
% accepted	100%	100%

3 Background papers other than published works or those disclosing exempt or confidential information

- 3.1 None

4 Published documents referred to in compiling this report

- 4.1 Accounts and Audit Regulations 2015
- 4.2 Audit Plan 2022/23
- 4.3 Public Sector Internal Audit Standards (2017 update)
- 4.4 Internal Audit Standards Advisory Board (IASAB) - Conformance with the PSIAS during the coronavirus pandemic
- 4.5 CIPFA Guidance to Internal Auditors and the Leadership Team and Audit Committee of Local Government Bodies (November 2020)

This page is intentionally left blank

Annex A – 2023/24 Internal Audit Plan Outturn

Audit Title	Planned Days	Actuals
Key / Significant NCC Systems	161	49
EMSS Key Systems	160	71
Governance	155	85
Risk Management	30	6
Organisation / Culture & Ethics	10	3
Compliance / Challenge/Assurance	114	74
Ring Fenced Grants / Income / Expenditure	110	130
Procurement	40	33
ICT and Information Governance	154	45
Proactive Counter Fraud	160	142
Responsive Fraud Referrals	20	2
Housing Tenancies	100	101
Exemptions/Discounts	200	197
Identification of Liability	50	67
Corporate Fraud Strategy	25	11
Companies / Other Bodies	14	5
Consultancy, Advice and Support	254	226
Follow Up	40	32
Development , Redesign & Quality	145	118
Total Days	1942	1397

This page is intentionally left blank

Annex B – Summary of Audits concluded and reported since last update

Department	Division	Activity	Level of Assurance	DoT	High	Medium	Low
NCC Corporate	Finance / HR & EDI	Fusion ICT Review 2022-23	Limited Assurance	↔	2	2	-
NCC Corporate Total					2	2	-
Finance & Resources	Finance	Data Analytics Colleague Expenses	No Assurance	↓	2	2	4
	Finance	Treasury Management 2022-24	Limited Assurance	↓	6	-	-
	HR & EDI	Physical and Environmental Controls Follow-up 2023-24	No Assurance	↓	5	1	
	Finance	Transport Capital 2022-23	Grant claim	-	-	-	-
	Finance	LA Bus Subsidy 2022-23	Grant claim	-	-	-	-
	Finance	Home Upgrade Grant 1	Grant claim	-	-	-	-
	Finance	Home Upgrade Grant 2	Grant claim	-	-	-	-
	Finance	Social Housing Decarbonisation Fund 1	Grant claim	-	-	-	-
Finance & Resources Total					13	3	4
People	Public Health	Caldicott Governance Follow-up 2023	Limited Assurance	↔	5	2	-
Peoples Total					5	2	-
NCC Total					20	7	4

This page is intentionally left blank

Annex B2 – Summary of Audits concluded in 2020/21 to 2023/24 to 15Jan2024

Department	Division	Activity	Level of Assurance	DoT	High	Medium	Low	
NCC Corporate	HR & EDI	Gifts & Hospitality	Limited Assurance	↔	2	2	-	
	Legal & Governance	Decision Making	Limited Assurance	-	3	-	-	
	Finance / HR & EDI	Fusion ICT Review 2022-23	Limited Assurance		2	2	-	
NCC Corporate Total					7	4	-	
Finance & Resources	HR & EDI	Disciplinary Process follow up 2021-22	Limited Assurance	↑	2	5	-	
		HR & Payroll 2022-23	No Assurance	↔	8	7	1	
		Physical and Environmental Controls Follow-up 2023-24	No Assurance	↓	5	1		
		Overtime Pay Policy Compliance 2021-22	Moderate Assurance	↔	-	2	-	
		Sickness Management 2022-23	Limited Assurance	↔	3	6	-	
	HR & EDI Total					18	21	1
	Information Technology	Cloud based applications (Software as a Service)	Moderate Assurance	-	4	8	-	
		IT - Service Desk	Significant Assurance	-	-	1	1	
		Hardware Asset Management 2021-22	Limited Assurance	↔	3	7	1	
		IT Change Management - Follow-up 2021-22	Significant Assurance	↔	-	-	-	
		IT Security 2020-21	Limited Assurance	↔	6	11	-	
	Information Technology Total					13	27	2
	Legal & Governance	Councillor Declarations 2021-22	Moderate Assurance	-	-	1	-	
		Data Management	Significant Assurance	↑	-	3	-	
	Legal & Governance Total					-	4	-
	Commercial Procurement & Contract Management	IR35 Compliance	Moderate Assurance	↔	1	3	1	
		ICT Procurement 2021-22	Limited Assurance	↔	3	11	-	
		Contract Management follow up 2021-22	Limited Assurance	↔	5	2	-	
	Commercial Procurement & Contract Management	Procurement Dispensations 2021-22	Limited Assurance	↔	3	-	-	
	Commercial Procurement & Contract Management Total					12	16	1

Annex B2 – Summary of Audits concluded in 2020/21 to 2023/24 to 15Jan2024

Department	Division	Activity	Level of Assurance	DoT	High	Medium	Low
Finance & Resources	Finance	Bank Reconciliation 2022-23	Moderate Assurance	↓	-	1	-
		Budgetary Control 2021-22	Limited Assurance	↓	2	1	-
		Capital Programme 2021-22	Limited Assurance	↓	9	16	5
		NCC Accounts Payable 2022-23	Limited Assurance	↔	4	10	-
		Data Analytics Colleague Expenses 2023	No Assurance	↓	2	2	4
		NCC Accounts Receivable 2022-23	Limited Assurance	↓	7	8	1
		Main Accounting 2022-23	Moderate Assurance	↓	1	-	-
		Treasury Management 2022-24	Limited Assurance	↓	6	-	-
		PCI Compliance - Follow-up	Limited Assurance	↓	4	8	1
		Procurement Card Usage 2022-23	Limited Assurance	-	3	1	-
		Civica - Income Management - application review	Significant Assurance	-	1	2	-
		Integration & Better Care Fund - DFG 21-22	Grant claim	-			
		Cultural Recovery Fund	Grant claim	-			
		Contain Outbreak Management Fund Surge Funding 20-21	Grant claim	-			
		Derby & Nottingham Future Transport Zone 2021-22	Grant claim	-			
		Green Homes Grant LA Delivery Phase 1B	Grant claim	-			
		Green Homes Grant LA Delivery Phase 2	Grant claim	-			
		Home Upgrade Grant 1	Grant claim	-			
		Home Upgrade Grant 2	Grant claim	-			
		Social Housing Decarbonisation Fund 1	Grant claim	-			
		LA Bus Subsidy Grant 2022-23	Grant claim	-			
		Local Transport Capital Grant 2021-22	Grant claim	-			
		Biodiversity Net Gain 2022-23	Grant claim	-	-	-	-

Annex B2 – Summary of Audits concluded in 2020/21 to 2023/24 to 15Jan2024

Department	Division	Activity	Level of Assurance	DoT	High	Medium	Low	
Finance & Resources	Finance	Supporting Families 2022-23	Grant claim	-	-	-	-	
		Universal Drug Treatment Grant 2021-22	Grant claim	-				
	Finance Total				39	49	11	
	Customer Services	Business Rates 2022-23	Limited Assurance	↔	4	11	7	
		Council Tax 2022-23	Moderate Assurance	↔	-	9	4	
		Housing Benefits 2022-23	Moderate Assurance	↑	6	3	-	
Customer Services Total				10	23	11		
Finance & Resources Total					92	140	27	
Chief Executive	Analysis & Insight	NCC Performance Management 2019-20	Moderate Assurance	↔	1	3	-	
	Communications & Marketing	Use of Social Media - Follow-up	Significant Assurance	-	-	3	-	
Chief Executive Total					1	6	-	
Growth & City Development	Housing	Housing Rents 2021-22	Limited Assurance	↓	7	3	-	
	Housing Total				7	3	-	
	Economic Development & Property	Broadmarsh Car Park & Bus Station Handover	Limited Assurance	-	3	2	-	
		OR05 Redevelopment of Broadmarsh Shopping Centre	Significant Assurance	-	1	-	-	
		Corporate Property Maintenance	Significant Assurance	↔	1	5	-	
		Asset Rationalisation 2021-22	Significant Assurance	-	-	-	-	
		Covid - Job Retention Scheme (Furlough)	Significant Assurance	-	-	-	2	
	Economic Development & Property Total					5	7	2
	Planning and Transport	Public Transport follow up	Limited Assurance	↔	-	-	-	
		Public Transport Smart Ticketing Procurement follow up	Limited Assurance	↔	3	-	-	
		Traffic & Safety Capital Projects 2020-21 Follow-up	Limited Assurance	↔	6	1	-	
Transforming Cities Fund Tranche 2 2021-22		Moderate Assurance	↓	4	1	-		
Planning and Transport Total					13	2	-	
Growth & City Development Total					26	12	2	

Annex B2 – Summary of Audits concluded in 2020/21 to 2023/24 to 15Jan2024

Department	Division	Activity	Level of Assurance	DoT	High	Medium	Low	
People	Adult Social Care & Health	Deputyship 2021-22	Moderate Assurance	↑	-	3	5	
		ECINS - Follow-up 2021-22	Moderate Assurance	↑	-	1	-	
		Appointeeship 2022-23	No Assurance	↓	8	3	-	
	Adult Social Care Health Total					8	7	5
	Children's Integrated Services	Supporting Families 2021-22	Significant Assurance	↔	-	-	-	
		Fostering, Adoption and External Placements Follow Up	Moderate Assurance	↑	2	1	-	
	Children's Integrated Services Total					2	1	-
	Education	Nottingham Schools Trust follow up 2020-21	Limited Assurance	↑	4	4	-	
	Education Total					4	4	-
	Public Health	Caldicott Governance Follow-up 2023	Limited Assurance	↔	5	2	-	
Public Health Total					5	2	-	
People Total					19	14	5	
Communities Environment & Resident Services	Environment & Sustainability	NCC Carbon Neutral Commitment	Limited Assurance	-	6	14	-	
		OR06 Waste and Energy Infrastructure	Moderate Assurance	-	3	2	-	
	Environment & Sustainability Total					9	16	-
	Communities	Selective Landlord Licensing Follow-up 2020-21	Moderate Assurance	↑	4	5	1	
		Women's Aid Grant Payments	Moderate Assurance	-	-	1	-	
	Communities Total					4	6	1
	Resident Services	Fleet Management follow up	Significant Assurance	↑	5	3	-	
		Woodthorpe Plant Shop 2022/23	Moderate Assurance	-	4	1	1	
		Governance & Use of Telematics	Significant Assurance	-	-	1	-	
		Vehicle Utilisation 2021-22	Limited Assurance	-	2	7	-	
Parks, Open Spaces Contracting		Moderate Assurance	-	-	6	3		
Resident Services Total					11	18	4	


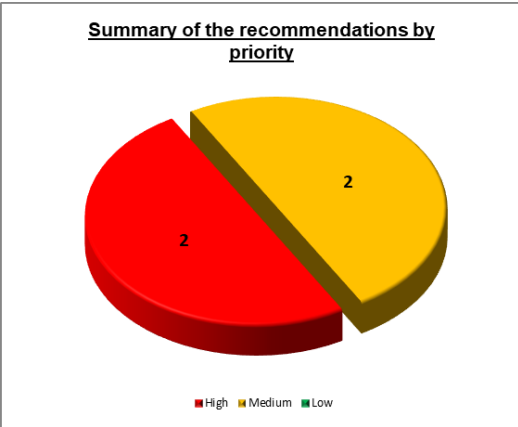
Annex B2 – Summary of Audits concluded in 2020/21 to 2023/24 to 15Jan2024

Department	Division	Activity	Level of Assurance	DoT	High	Medium	Low	
Communities Environment & Resident Services	Sports, Culture & Tourism Total	Theatre Royal & Concert Hall Follow-up 2021-22	Limited Assurance	↑	9	-	-	
	Sports, Culture & Tourism Total				9	-	-	
Communities Environment & Resident Services Total					33	40	5	
NCC Total						177	216	38


This page is intentionally left blank

Appendix C – Audit Executive Summaries – Final Reports issued since last update

Fusion ICT Review 2022-23

<p>Directorate Finance and Resources</p> <p>Division Finance</p> <p>Previous review: June 2022</p>	<p>Overall Opinion:</p> <p>Limited Assurance</p>	<p>Direction of Travel:</p> 								
<p><u>Scope and Approach:</u> This review considered the following aspects of the Council's elements of Oracle Fusion:</p> <ul style="list-style-type: none"> • User Management / Access controls • NCC Feeder file processing • OTBI report construction and assurance 										
<p>High Priority Recommendations</p> <p>2022-23 R2 There should be routine review of Fusion user accounts to ensure that they are closed promptly.</p> <p>In addition, any roles that are identified as having an elevated level of access should be reviewed with EMSS sys Admin to ensure that level of access continues to be appropriate.</p> <p>2022-23 R3 A formal reconciliation should be undertaken by Adult Residential Services to ensure that payments are accurate and complete.</p>	<p><u>Summary of the recommendations by priority</u></p>  <table border="1"> <caption>Summary of the recommendations by priority</caption> <thead> <tr> <th>Priority</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>High</td> <td>2</td> </tr> <tr> <td>Medium</td> <td>2</td> </tr> <tr> <td>Low</td> <td>0</td> </tr> </tbody> </table>		Priority	Count	High	2	Medium	2	Low	0
Priority	Count									
High	2									
Medium	2									
Low	0									

Data Analytics Colleague Expenses 2023

<p>Directorate: Finance & Resources</p> <p>Division: Finance and HR & EDI</p> <p>Previous review: Data Analytics Colleague Expenses 2019/20</p>	<p>Overall Opinion:</p> <p>No Assurance</p>	<p>Direction of Travel:</p> 
---	--	---

Scope and Approach: The objective of this review is to complete an analytical review of business claims using new techniques including unsupervised machine learning, the scope includes:

- Benford's Law to identify anomalous data
- Trial of Clustering machine learning techniques to identify potentially fraudulent claims
- Relative Size Factor testing to identify potentially fraudulent claims
- Z-Score testing to identify potentially fraudulent claims
- Keyword detection to identify non-compliance with policy
- Duplicate claim search

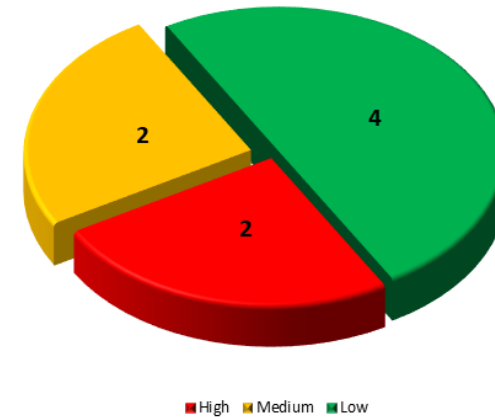
Page 2

High Priority Recommendations


2023-24 R2 - HR & EDI should review all policies governing business expenses and condense them into one single policy. The policy should make it clear that line managers are responsible for scrutinising all expense claims and reject claims that do not meet the policy. The policy should include clear deadlines for submitting claims (e.g. within 30 days of the expense) and claims will be rejected outside this period.

2023-24 R4 - Finance should undertake work to determine if the council is complying with all HMRC regulations governing expense claims or if reports need to be made to HMRC to report employees receiving additional earnings paid in the form of expenses.

Summary of the recommendations by priority



Treasury Management 2022-24

Department: Finance & Resources Previous review: Treasury Management 2021/22	Overall Opinion: Limited Assurance	Direction of Travel: Deteriorates 
---	--	--

Scope and Approach: This review considered the following aspects of the system:

- ❖ Treasury management complies with the legislation and CIPFA Code of Practice to include borrowing and lending activities
 - ❖ The existence of an agreed treasury management strategy that follows the CIPFA Treasury Management Code.
 - ❖ The adequacy of the treasury management risk register to manage identified risk
 - ❖ A review of current processes to ensure the Treasury Management Strategy is followed
 - ❖ A review of treasury management activities to ensure they are correctly recorded in the accounts
 - ❖ A review of the Investment Strategy including debt repayment
 - ❖ A review of prudential indicators and limits
 - ❖ A review of controls in place to ensure that investment opportunities are appropriately identified, and a sound authorisation process is applied.
- ☑ The existence and coverage of fidelity guarantees for all appropriate staff

High Priority Recommendations

22-24 R1 Implement changes to reporting, TM Strategy, Annual Investment Strategy, Capital Strategy, to TMPs, IMPs, and indicators to meet requirements set out in the 2021 revisions to the Prudential and TM Codes. Report 2022-23 annual report to Executive Board.

22-24 R2 Treasury Management Practices should be regularly reviewed and updated where necessary

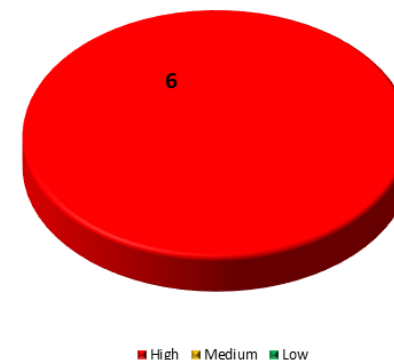
22-24 R3 Investment Management Practices for non-treasury investments should be set out according to requirements in the new Codes and implemented.

22/23 R4 The Treasury Management Risk Register should be regularly reviewed and updated by the TM Panel. Action should be taken promptly if a new risk is identified. The Panel should determine how risks connected to business continuity arising from personnel changes and interim appointments will be mitigated.

22-24 R5 The Treasury Management Panel should continue to meet at least quarterly to monitor and review Treasury Management activity.

22-24 R6 Loan and investment reconciliations should be reported to the Treasury Management Panel as part of its controls assurance at least quarterly.


Summary of the recommendations by priority



Physical and Environmental Controls Follow-up 2023-24

An executive summary is included within the exempt papers for this meeting.

Caldicott Governance Follow-up 2023

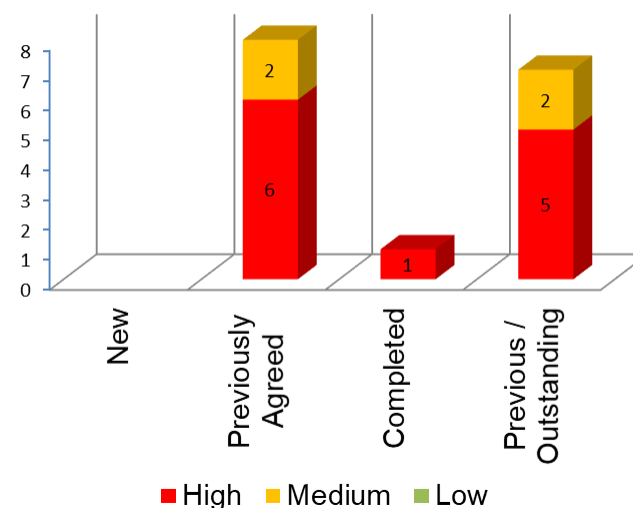
Directorate Finance and Resources Division Strategy and Policy Previous review: Caldicott Governance 2022/23	Overall Opinion: Limited Assurance	Direction of Travel: There has been no improvement in the level of control in this area. 
--	--	---

Scope and Approach: This review has followed up the outstanding recommendations made within the 2022/23 report.

High Priority Recommendations

- 2022-23 R1 The duties and responsibilities should be formally established within the nominated officer's job description.
- 2022-23 R2 The role of the Caldicott Guardian should be widely publicised to ensure appropriate advice is provided and citizens may have a point of reference should they wish to complain about their data being shared.
- 2022-23 R4 All relevant officers should undergo the appropriate level of training to ensure that they have a full understanding of the role and how they can ensure that the Caldicott principles may be addressed.
- 2022-23 R5 Steps should be taken to ensure that the Council complies with the mandated guidance and future applicable requirements issued by the National Data Guardian.
- 2022-23 R6 The Caldicott Guardian should be consulted when compiling DPIA's and undertaking data breach investigations in order that they have an awareness of the issues and where required may offer appropriate advice.

Summary of recommendations by priority



This page is intentionally left blank

Annex D – Tracking of High Priority Recommendations Issued in 2020/21-2023/24 to 15 Jan 2024

Department	Division	Activity	Level of Assurance	DoT	High	Audit Assessed			Management Assessed		Trend	
						Complete	Not Yet Due	Overdue	Complete	Overdue		
NCC Corporate	HR & EDI	Gifts & Hospitality	Limited Assurance	↔	2	1		1		1	↔	
	Legal & Governance	Decision Making	Limited Assurance	-	3	2		1		1	↔	
	Finance / HR & EDI	Fusion ICT Review 2022-23	Limited Assurance	-	2		1	1	1		↔	
NCC Corporate Total					7	3	1	3	1	2		
Finance & Resources	HR & EDI	Disciplinary Process follow up 2021-22	Limited Assurance	↑	2	2					↑	
		NCC Payroll & HR 2022-23	No Assurance	↓	8	2		6		6	↑	
		Physical & Environmental Controls 2022-23	No Assurance	↓	5		1	4		4	↓	
		Overtime Pay Policy Compliance 2021-22	Moderate Assurance	↔	0							
		Sickness Management 2022-23	Limited Assurance	↔	3	2		1		1	↑	
	HR & EDI Total					18	6	1	11	2	9	
	Information Technology	Cloud based applications (Software as a Service)	Moderate Assurance	-	1*	1			0		0	↑
		IT - Service Desk	Significant Assurance	-	0							
Hardware Asset Management 2021-22		Limited Assurance	↔	3	2		1		1	↔		

* Note: 3 high priority recommendations from Cloud based applications included in ICT Procurement

Annex D – Tracking of High Priority Recommendations Issued in 2020/21-2023/24 to 15 Jan 2024

Department	Division	Activity	Level of Assurance	DoT	High	Audit Assessed			Management Assessed		Trend	
						Complete	Not Yet Due	Overdue	Complete	Overdue		
Finance & Resources	Information Technology	IT Change Management - Follow-up 2021-22	Significant Assurance	↔	0							
		IT Security 2020-21	Limited Assurance	↔	6	5		1		1	↔	
	Information Technology Total					10	8	0	2	0	2	
	Legal & Governance	Councillor Declarations 2021-22	Moderate Assurance	-	0							
		Data Management	Significant Assurance	↑	0							
	Legal & Governance Total					0	0	0	0	0	0	
	Commercial Procurement & Contract Management	IR35 Compliance	Moderate Assurance	↔	1	1		0		0	↔	
		ICT Procurement 2021-22	Limited Assurance	↔	3			3		3	↔	
		Contract Management follow up 2021-22	Limited Assurance	↔	5	1		4		4	↑	
		Procurement Dispensations 2021-22	Limited Assurance	↔	3	3		0		0	↑	
	Commercial Procurement & Contract Management Total					12	5	0	7	0	7	
	Finance	Bank Reconciliation 2022-23	Moderate Assurance	↓	0							↓

Annex D – Tracking of High Priority Recommendations Issued in 2020/21-2023/24 to 15 Jan 2024

Department	Division	Activity	Level of Assurance	DoT	High	Audit Assessed			Management Assessed		
						Complete	Not Yet Due	Overdue	Complete	Overdue	Trend
Finance & Resources	Finance	Budgetary Control 2021-22	Limited Assurance	↓	2			2		2	↔
		Capital Programme 2021-22	Limited Assurance	↓	9	3		6		6	↔
		NCC Accounts Payable 2022-23	Limited Assurance	↓	4		1	3		3	↓
		Data Analytics Colleague Expenses 2023	No Assurance	↓	2			2		2	↔
		NCC Accounts Receivable 2022-23	Limited Assurance	↓	7			7		7	↓
		Main Accounting 2022-23	Moderate Assurance	↓	1			1		1	↓
		Treasury Management 2022-24	Limited Assurance	↓	6			6	3	3	↓
		PCI Compliance - Follow-up	Limited Assurance	↓	4	2		2		2	↔
		Procurement Card Usage 2022-23	Limited Assurance	-	3			3		3	↓
		Civica - Income Management - application review	Significant Assurance	-	1	1		0		0	↔
		Integration & Better Care Fund - DFG 21-22	Grant claim	-							

Annex D – Tracking of High Priority Recommendations Issued in 2020/21-2023/24 to 15 Jan 2024

Department	Division	Activity	Level of Assurance	DoT	High	Audit Assessed			Management Assessed		Trend
						Complete	Not Yet Due	Overdue	Complete	Overdue	
Finance & Resources Finance & Resources	Finance	Cultural Recovery Fund	Grant claim	-							
		Contain Outbreak Management Fund Surge Funding 20-21	Grant claim	-							
		Derby & Nottingham Future Transport Zone 2021-22	Grant claim	-							
		Green Homes Grant LA Delivery Phase 1B	Grant claim	-							
		Green Homes Grant LA Delivery Phase 2	Grant claim	-							
		HUG 1 MNZH	Grant claim	-							
		LA Bus Subsidy Grant 2022-23	Grant claim	-							
		Local Transport Capital Grant 2022-23	Grant claim	-							
		Biodiversity Net Gain 2022-23	Grant claim	-							
		Supporting Families 2022-23	Grant claim (quarterly)	-							

Annex D – Tracking of High Priority Recommendations Issued in 2020/21-2023/24 to 15 Jan 2024

Department	Division	Activity	Level of Assurance	DoT	High	Audit Assessed			Management Assessed		Trend
						Complete	Not Yet Due	Overdue	Complete	Overdue	
	Finance	Universal Drug Treatment Grant 2021-22	Grant claim	-							
Finance & Resources	Finance Total				33	6	1	26	3	23	
	Customer Services	Housing Benefits 2022-23	Moderate Assurance	↑	6	4		2		2	↑
		Council Tax 2022-23	Moderate Assurance	↔	0						↔
		Business Rates 2022-23	Limited Assurance	↔	2			2		2	↔
	Customer Services Total					8	4	0	4	0	4
Finance & Resources Total					74	28	2	44	5	39	
Chief Executive	Analysis & Insight	NCC Performance Management 2019-20	Moderate Assurance	↔	1	1					
	Communications & Marketing	Use of Social Media - Follow-up	Significant Assurance	-	0						
Chief Executive Total					1	1	0	0	0	0	
Growth & City Development	Housing	Housing Rents 2021-22	Limited Assurance	↓	7	5		2		2	↑
	Housing Total				7	5	0	2	0	2	
	Economic Development & Property	Broadmarsh Car Park & Bus Station Handover	Limited Assurance	-	3	3		0			
		OR05 Redevelopment of Broadmarsh Shopping Centre	Significant Assurance	-	1	1		0			

Annex D – Tracking of High Priority Recommendations Issued in 2020/21-2023/24 to 15 Jan 2024

Department	Division	Activity	Level of Assurance	DoT	High	Audit Assessed			Management Assessed		Trend	
						Complete	Not Yet Due	Overdue	Complete	Overdue		
Growth & City Development Growth & City Development	Economic Development & Property	Corporate Property Maintenance	Significant Assurance	↔	1			1	1	0	↔	
		Asset Rationalisation 2021-22	Significant Assurance	-	0							
		Covid - Job Retention Scheme (Furlough)	Significant Assurance	-	0							
	Economic Development & Property Total					5	4	0	1	1	0	
	Planning and Transport	Public Transport follow up	Limited Assurance	↔	0							
		Public Transport Smart Ticketing Procurement follow up	Limited Assurance	↔	3	3						
		Traffic & Safety Capital Projects 2020-21 Follow-up	Limited Assurance	↔	6	6			0			↑
		Transforming Cities Fund Tranche 2 2021-22	Moderate Assurance	↓	4	4						↑
	Planning and Transport Total					13	11	0	2	0	2	
	Growth & City Development Total					25	20	0	5	1	4	
People	Adult Social Care & Health	Deputyship 2021-22	Moderate Assurance	↑	0							
		Appointeeship 2022-23	No Assurance	↓	8	3	0	5	0	5	↑	

Annex D – Tracking of High Priority Recommendations Issued in 2020/21-2023/24 to 15 Jan 2024

Department	Division	Activity	Level of Assurance	DoT	High	Audit Assessed			Management Assessed		Trend
						Complete	Not Yet Due	Overdue	Complete	Overdue	
People	Adult Social Care & Health	ECINS - Follow-up 2021-22	Moderate Assurance	↑	0						
	Adult Social Care & Health Total				8	3	0	5	0	5	
	Children's Integrated Services	Supporting Families 2021-22	Significant Assurance	↔	0						
		Fostering, Adoption and External Placements Follow Up	Moderate Assurance	↑	2	2					
	Children's Integrated Services Total				2	2	0	0	0	0	
	Education	Nottingham Schools Trust follow up 2020-21	Limited Assurance	↑	4	2		2		2	↔
	Education Total				4	2	0	2	0	2	
	Public Health	Caldicott Governance Follow-up 2023	Limited Assurance	↑	5			5		5	↑
	Public Health Total				5	0	0	5	0	5	
People Total					19	7	0	12	0	12	
Communities Environment & Resident Services	Environment & Sustainability	NCC Carbon Neutral Commitment	Limited Assurance	-	6	4		2		2	↑
		OR06 Waste and Energy Infrastructure	Moderate Assurance	-	3			3		3	↔
	Environment & Sustainability Total				9	4	0	5	0	5	

Annex D – Tracking of High Priority Recommendations Issued in 2020/21-2023/24 to 15 Jan 2024

Department	Division	Activity	Level of Assurance	DoT	High	Audit Assessed			Management Assessed		Trend	
						Complete	Not Yet Due	Overdue	Complete	Overdue		
Communities Environment & Resident Services	Communities	Women's Aid Grant Payments	Moderate Assurance	↑	0			0				
		Selective Landlord Licensing Follow-up 2020-21	Moderate Assurance	↑	4	4		0				
	Communities Total					4	4	0	0	0	0	
	Resident Services	Fleet Management follow up	Significant Assurance	↑	5	5		0				
		Woodthorpe Plant Shop 2022/23	Moderate Assurance	-	4	2		2		2		↑
		Governance & Use of Telematics	Significant Assurance	-	0							
		Vehicle Utilisation 2021-22	Limited Assurance	-	2	2						↑
		Parks, Open Spaces Contracting	Moderate Assurance	-	0							
	Resident Services Total					11	9	0	2	0	2	
	Sports, Culture & Tourism	Theatre Royal & Concert Hall Follow-up 2021-22	Limited Assurance	↑	9	9						↑
	Sports, Culture & Tourism Total					9	9	0	0	0	0	
Communities Environment & Resident Services Total					33	26	0	7	0	7		

Annex D – Tracking of High Priority Recommendations Issued in 2020/21-2023/24 to 15 Jan 2024

Department	Division	Activity	Level of Assurance	DoT	High	Audit Assessed			Management Assessed		Trend
						Complete	Not Yet Due	Overdue	Complete	Overdue	
NCC Total					158	84	3	71	7	64	

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank