

NOTTINGHAM CITY COUNCIL

INTERNAL AUDIT ANNUAL REPORT AND OPINION

2019-20

Date: 21 August 2020

Contents

1. Introduction
 2. Head of Internal Audit Opinion
 3. Basis of Opinion
 4. Quality Assurance & Improvement Plan
 5. Internal Audit Plan 2020-21
-
- Appendix A List of Final Audit Reports Issued Q4
- Appendix B Executive Summaries Q4 Audit Reports
- Appendix C Internal Audit Plan 2020-21
- Appendix D Final Reports Issued 2019-20
- Appendix E External Assurances
- Appendix F Levels of Assurance Definitions & Classification of Internal Audit Recommendations

1. Introduction

Internal Audit and the Annual Reporting Process

1. Under the Accounts and Audit Regulations 2015 (See Box) the Council has a duty to maintain an effective internal audit of its risk management, control and governance processes. The Public Sector Internal Audit Standards (PSIAS) are the mandated professional standards for internal audit in local government and govern the work undertaken by the Internal Audit Service.
2. The PSIAS sets out the requirement for the Chief Audit Executive to provide an annual internal audit report with an overall opinion that can be used by the organisation to inform its governance statement. The Internal Audit Charter and the Council’s Financial Regulations reinforce this requirement. The role of Chief Audit Executive has been assigned to the Head of Audit and Risk at Nottingham City Council.
3. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control. The opinion must be supported by sufficient, reliable, and relevant information.
4. The following report provides a summary of the internal audit activity undertaken throughout the year and seeks to provide an objective assessment of the control environment to support the annual internal audit opinion. This report has been produced by the Head of Audit and Risk who is responsible for the Internal Audit (IA) and Corporate Fraud teams.

The Accounts and Audit Regulations 2015

Internal audit

5.—(1) A relevant authority **must** undertake **an effective internal audit** to evaluate the effectiveness of its risk management, control and governance processes, taking into account **public sector internal auditing standards** or guidance.

(2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit—

- (a) make available such documents and records; and
- (b) supply such information and explanations;

as are considered necessary by those conducting the internal audit.

(3) In this regulation “documents and records” includes information recorded in an electronic form.

Confirmations – Resources, Independence and Limitations of Scope

5. Members of the team hold various qualifications including ACCA, AAT and PINS. Colleagues participated in personal development reviews and received a minimum of three days training. The 2019/20 audit plan contained 2535 days and I am satisfied that there were adequate staffing resources available to me to deliver the plan despite a restriction on recruitment. It is expected that the current year's audit plan and future audit plans will be affected by the Voluntary Redundancy Scheme and we are planning to adjust our work plans accordingly. The 2020/21 Plan in Appendix C has been matched to an assumed reduced level of resources.
6. The PSIAS require that the Head of Audit and Risk must confirm to the Audit Committee at least annually regarding the organisational independence of the internal audit activity. The Internal Audit Charter and the council's Financial Regulations re-inforce this requirement.
7. The Internal Audit Charter specifies that the Head of Audit and Risk must report to a level within the council that allows internal audit to fulfil its responsibilities. Appropriate reporting and management arrangements are in place within NCC that preserve the independence and objectivity of the Head of Audit and Risk who has direct access to the Chair of the Audit Committee, Leadership of the Council, Ministry of Housing Communities and Local Government, External Auditors, Police and fraud squad, the Council's Chief Executive, the Section 151 Officer, the Monitoring Officer, the Standards Board, and all councillors, as he considers appropriate.
8. The reporting and management arrangements in place are appropriate to ensure the organisational independence of the internal audit activity. Robust arrangements are in place to ensure that any threats to objectivity are managed at the individual auditor, engagement, functional and organisational levels. Nothing has occurred during the year that has impaired the Head of Audit and Risk's personal independence or objectivity nor has there been any

Nothing has occurred during the 2019/20 year that has impaired the Head of Audit and Risk's personal independence or objectivity nor has there been any inappropriate scope or resource limitations.

inappropriate scope or resource limitations.

Reports to Audit Committee

9. An important part of the IA service is to inform the Audit Committee about the adequacy of the Council's governance and internal control systems and an important role of the Committee is to oversee the performance of the IA service. The following summarises the information the Committee has received from the Head of Internal Audit and Risk during the last year.

- Annual Governance Statement and Update
- Best Practice for Governance of City Council Companies and later update
- Internal Audit Quarterly Reports
- Role of Audit Committee and Work Programme
- Internal Audit Charter
- Internal Audit Annual Report
- Internal Audit Annual Plan
- East Midlands Shared Services (EMSS) Annual Report and Head of Audit & Risk Assurance
- Audit Committee Terms of Reference and Work Plan
- Committee Member training

2. Head of Internal Audit Opinion 2019/20

Scope of the Opinion

10. The opinion has been prepared by the Head of Audit and is based upon the requirements of the Public Sector Internal Audit Standards (PSIAS).

11. Throughout 2019/20, the HoIA has continuously reviewed the significant challenges and risks associated with the Council's operations and has allocated the necessary resources, via the Internal Audit Plan, to form his opinion on the Council's governance arrangements. In forming his opinion, the HoIA has reviewed all the IA reports issued in 2019/20, which has included ICT work, and he has drawn upon available external sources of assurance from independent review bodies and internal assurance mechanisms to help him identify and assess the key control

risks to the Council's objectives. Other sources of assurance has included the AGS Statement, the Ombudsman Report, Grant Thornton (the Council's external auditor), and the partnership health check review. External assurance sources such as OFSTED, and the Care Quality Commission have been reviewed, and where necessary further information has been sought, in order to assess these assurances.

Issues Relevant to the Annual Governance Statement Opinion

12. The Head of Audit and Risk has identified the following significant issues (as defined in the CIPFA Code of Practice) that should be reported in the Annual Governance Statement:

- The Public Interest Report concerning NCC's governance arrangements for Robin Hood Energy which highlighted numerous significant weakness and which requires a detailed response
- Ongoing concerns regarding the governance arrangements with regards to Robin Hood Energy and governance arrangements for group companies
- The financial and operational impacts arising from Covid-19
- Concerns from our work on NCC's Capital Programme which included the impact of Covid-19 on the Programme and priorities and how this affects both the resources available for current and future capital decisions including
 - Broadmarsh Shopping Centre which will require additional resourcing after Intu relinquished their lease
 - Energy & Waste Infrastructure which requires decisions to determine future infrastructure and contractual arrangements for these services
- The Financial Resilience of the Council given the ongoing budget pressures
- Ofsted Focussed Visit & Improvement Programme

Opinion 2019/20

13. No systems of control can provide absolute assurance, nor can IA give that assurance, significant issues (as defined in the CIPFA Code of Practice) were included in audit work undertaken and reported by IA as part of the 2019/20 Audit Plan. Subsequent IA experience, covering financial systems, risk and governance, and based on the recent Ofsted report and the concerns that the External Auditor has raised during the audit of the 2018-19 Statement of Accounts, together with the knowledge that the Council finances are suffering significant stress due to

the Covid-19 emergency in 2020 leads the HoIA to conclude that whilst many internal control systems are operating effectively within the Council, its significant partners and associated groups – the areas of weakness identified as significant items (see above) lead to an overall limited level of assurance.

14. It is clear from the last 4 years' budget outturns and the 2020-21 projected overspend that the financial control framework is under stress. Internal Audit will prioritise additional activity in 2020-21 to identify issues within financial control to assist management in maintaining the effectiveness of the framework. As might be expected in an era of frequent change, reorganisations and cuts, internal audits have highlighted system weaknesses in some areas and governance and compliance issues. IA will aim to review these key areas during 2020-21
15. The opinion is based on internal audit work undertaken and completed, prior to emergency measures being implemented as a result of the pandemic. The impact of the virus on the Council and its systems was immediate with a significant level of strain being placed on normal procedures and control arrangements but to date no internal control failings have been brought to the attention of the Head of Internal Audit. It is currently not possible to quantify the additional risk arising from the current short-term measures or the overall impact on the framework of governance, risk management and control.

*A **limited level of assurance** can be given that internal control systems are operating effectively within the Council, its significant partners and associated groups*

Impact of Covid-19

16. The Council's response to the pandemic has impacted on the available Internal Audit resources since March 2020 and in particular Auditors time has been required to advise on and in some cases assist with new processes, namely Small Business Grants and Retail, Leisure and Hospitality Grants. The time spent on these activities will be reflected in subsequent updates to this committee.

17. The pressure on colleagues since March has at times affected our ability to engage with management within those areas under review, an example being our IT Service. This has to an extent limited our ability to conduct some of the necessary work in our plan and continues to do so. Another consequence has been the availability of responsible managers to respond to our draft reports with a consequence that we have issued 8 Interim Final Audit Reports relating to the 2019/20 year during the first quarter of 2020/21. These interim reports state our findings but do not include management comment. We have offered management the opportunity to comment at a later stage but intend to re-visit these report in the year. The finding in these reports have been considered by the Head of Internal Audit in forming his opinion.
18. There is a view nationally that the speed at which arrangements have been put in place has increased the risk of fraud occurring, even though it is expected that any new arrangements should feature adequate control measures. We intend to consider those areas most at risk of fraud and complete some additional work to provide assurance that amended processes did not allow fraudulent transactions to occur.

3. Basis of Assurance for the Annual Audit Opinion

2019/20 Audit Plan

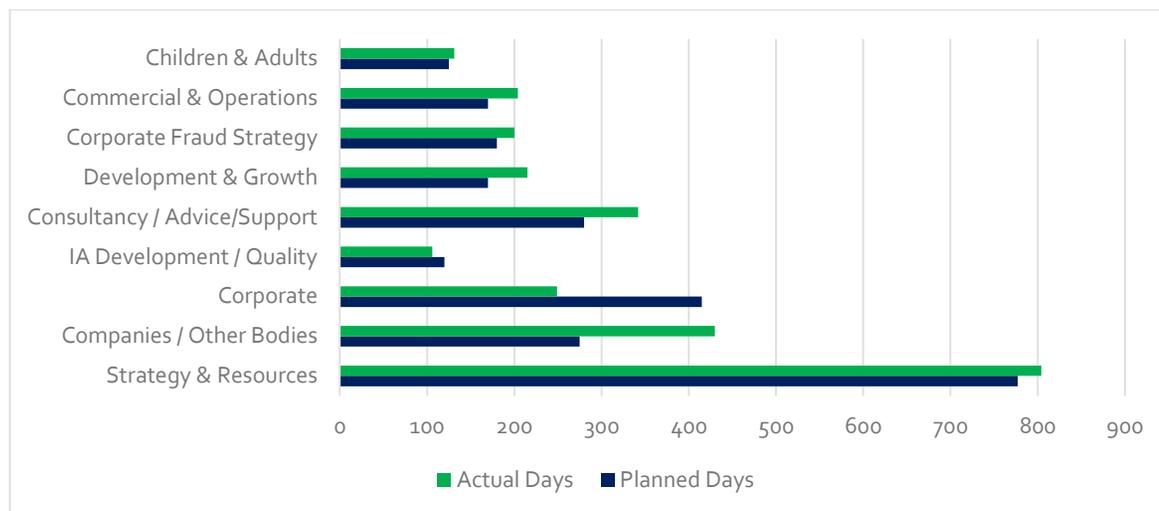
19. The Audit Plan and quarterly monitoring reports were presented to the Committee throughout the year, detailing progress against the Plan. Management are asked to contribute to the planning process, however the plan and its contents are entirely the responsibility of Internal Audit. The audit plan is fluid and has been changed to reflect differing risks and priorities arising during the year. The details of the audits finalised in quarter 4 are provided within appendices A and B and a list of all finalised audit reports issued for 2019/20, issued by 31 March 2020, is provided in Appendix D. There are a number of audit reports relating to the 2019/20 Audit Plan that were finalised and issued after 31 March 2020; these will be provided to the committee as part of the next update but these are drawn upon for the purposes of compiling the Head of Internal Audit's opinion.
20. The final outturn for 2019/20 is summarised in the table below that shows the outturn against planned resources.

Overall 2019/20 Internal Audit Plan against Actual

Audit Title	Planned Days	Actual Days
Governance	255	190
Organisation	125	103
Key Financial Systems	154	188
Procurement & Projects Programme Management	225	153
Big Ticket / Risk Based Service Reviews	202	226
Compliance / Challenge	150	180
ICT and Information Governance	95	109
Counter Fraud	500	540
Corporate Fraud Strategy	110	238
Companies / Other Bodies	286	414
Consultancy, Advice and Support	258	287
Development , Redesign & Quality	175	110
Total Days	2535	2738

21. The audit coverage across all clients/areas is shown in the following diagram:

2019/20 Internal Audit Plan against Actual by Department



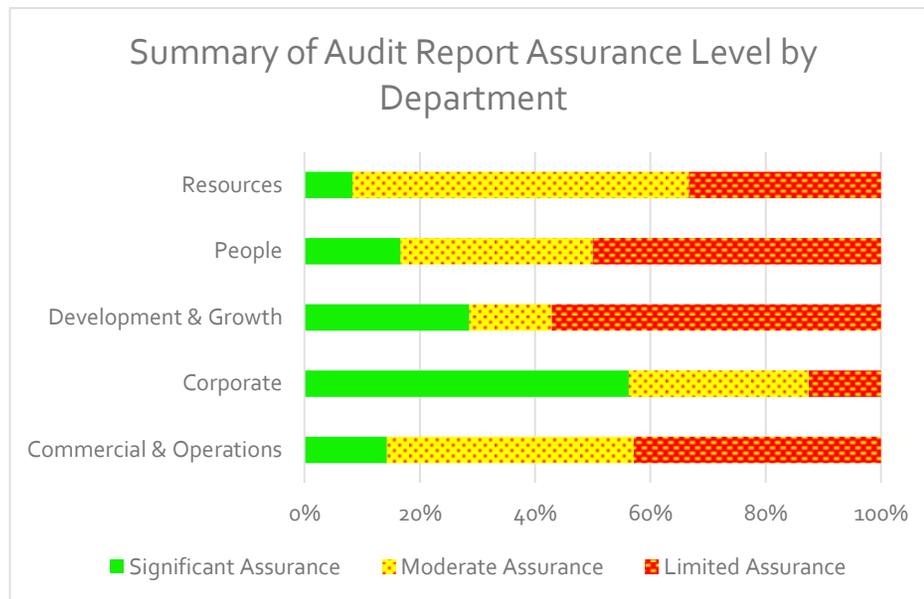
A summary of the audit work from which the opinion is derived

22. The Audit Committee sees summaries of all reports, levels of assurance and the associated high-rated recommendations as part of its annual work programme.

23. Internal Audit reports are normally comprised of a number of findings and recommendations. Dependent on the nature of these findings, the recommendations are classified as High, Medium or Low; a definition of these categories can be found in Appendix F. In addition, an opinion or level of assurance, which ranges from 'No Assurance', 'Limited Assurance', Moderate Assurance or 'Significant Assurance' also features in each report; a definition can also be seen in Appendix F.

24. It should be noted that we commenced using a fourth level of assurance, namely Moderate Assurance, with effect from 1 January 2020. The introduction of this level of assurance was deemed necessary as it was felt that the use of Significant or Limited Assurance was at times not the best fit.
25. The analysis below identifies the level of assurance for those reports issued to Corporate Directors during the 2019/20 audit year.
26. As can be seen, we have not issued any reports that have featured a 'No Assurance' opinion i.e. where we believe that there is a poor system of internal control or consistent non-compliance with key controls that presents serious risks to the council. A full list of the final reports issued can be found in Appendix D.
27. We have also responded to ad hoc requests throughout the year and provided feedback and guidance as necessary.

Analysis of assurance levels by department



28. We have also analysed the outcomes by corporate impact in order to contribute to the Head of Audit & Risk's opinion.
29. Our work on key systems during 2019/20 has shown that the majority of key systems have been assessed at significant assurance and we note that there has been an overall improvement in the direction of travel when compared to the previous year, giving the Head of Audit & Risk confidence that those systems underpinning the most financially significant activities are generally effective. It is still a concern that some Corporate IT systems and a proportion of systems with significant corporate impact have been rated as limited assurance – a summary of weaknesses identified can be found in sections below.
30. We have considered the results of our completed work over the year and have used the information to inform the 2020/21 Internal Audit Plan (see Appendix C). It is worth bearing in mind that our audits have been scoped with management so as to target areas which we consider to present greater risk to the City Council, and therefore we would expect a certain level of bias towards providing negative assurance.

Key Financial & Other Key Systems

Key Financial Systems

31. The opinion of the Head of Audit and Risk is informed significantly by the results of the audits of the council's key financial systems. Our reviews of the key financial systems and other financial control audits support the opinion. We have reviewed all of the key systems identified in our plan, some of which are operated by EMSS; which we report upon separately. The coverage during the year has provided sufficient evidence to conclude that the key financial control systems are sound and that these controls continue to work well in practice.
32. The necessity to quickly make grant payments to businesses, in accordance with government instructions, did put a strain on colleagues across departments and we are currently reviewing payments made via Oracle to ensure that there were no fraudulent applications for assistance.

Key financial control systems are sound ... these controls continue to work well in practice

Procurement / Contract Management

33. This year's Procurement Audit involved a detailed analysis of Oracle expenditure over the year and identified a number of areas which require improvement, including compliance with regulations.
34. Also during the year we completed a review of Contract Management arrangements across the organisation. As with the audit of Procurement, we highlighted some significant weaknesses, the most significant ones being the lack of a common assurance framework for contract management; lack of Contract Management Policy and associated standards; lack of corporate governance processes and assurance for reporting; lack of a corporate contract risk management process and a lack of functionality within Oracle to allow better oversight of spend.
35. The findings of both the above mentioned audits were discussed at CLT during the year. We plan to take a similar approach to our work on procurement during the current year.

Property

36. During the year we completed four reviews in respect of the Council's Investment and Corporate Property portfolios. We have reported upon the arrangements for the disposal of Land and Investment Properties which highlighted scope for improving compliance with the DCLG LA Disposals Guidance and the need to evidence compliance with the RICS valuation guidance.
37. We completed a follow up of recommendations made in respect of a previous review of the management of health & safety within the Commercial and Investment Property portfolio. The level of assurance reported remained at Limited as there were some significant recommendations outstanding.
38. Our third review in this area considered the arrangements for managing the repairs and maintenance of corporate property. This review identified a number of strengths within the service, with a significant level of assurance being recorded. We noted however that different systems are being used by the service.

39. Our final review considered the Estate Rents function which records and recovers the charges for commercial properties. There were no significant issues raised.

Fit for the Future

40. We have monitored the progress of the project since inception and have commented upon specific areas over time, such as project governance, contractual responsibilities, risk management, new processes, data cleansing / migration. With a new target date for implementation, we will continue to connect with the project team and plan for our systems work on the new system prior to and after the 1 April 2021.

Risk Management

41. Our previous report on Risk Management indicated that the organisation needed to embed risk management across the organisation and to provide resources to allow this to occur. Our review during 2019/20 has shown a positive direction of travel with all outstanding high rated recommendations being implemented and a Significant level of assurance being recorded in our report.

Information Governance / ICT

42. Information, Communication and Technology (ICT) plays a critical role in supporting all the services provided by the Council. A clear demonstration of this is the way in which IT, Information Compliance and Communications and Marketing responded to the recent Coronavirus outbreak. City Council buildings were closed and colleagues required to work at home and thanks to technology, colleagues were still able to continue to support citizens and maintain services whilst working at home.

43. The audit work that has been drawn upon by the Head of Internal Audit to form his opinion includes:

Audit	Level of Assurance
Cloud-based Applications	Moderate

IT Service Desk	Significant
Business Continuity and Disaster Recovery – Follow-up	Limited
Children and Adults - Liquidlogic and ContrOCC systems administration	Limited
Data Protection – follow-up	Limited
Waste Manager - Application review	Limited
Waste Manager - Application review - Follow-up	Limited
ASC - ContrOCC Provider Portal	Significant
PCI Compliance	Significant
ASC - ContrOCC Feeder Systems review – Follow-up	Limited
IT Audit - Cyber Security – follow-up	Moderate
Use of Social Media	Significant

44. Our ongoing concerns with regards to the ICT arrangements include the governance and management arrangements concerning the procurement and use of cloud-based technologies, plus the effect of pressures on staffing resources within IT, which are continually being stretched and which may leave gaps within the control framework.

45. During the year, we have received the following positive assurances that the ICT risks are being addressed:

- The Council has retained PSN, Cyber Essentials Plus and HCN accreditations, all of which have been externally assessed.

- The Information Compliance Team and IT both have operational risk registers and are reviewing their risks on a regular basis.
- IT has established three departmental governance boards with the aim of understanding departmental IT priorities and to assist them in managing their IT project and programme risks.
- The Information Compliance Team and IT Service report assurances and changes in risk to both the Information Compliance Board and SIRO so that the wider organisation has an awareness of the challenges and threats present.

Performance

46. Our review this year focused on the corporate performance function and sought to provide assurance that NCC has adequate performance management arrangements in place for the current Council Plan 2019-2023. We reported Moderate Assurance on the controls in this area but highlighted scope for improvement of individual performance indicators, improvement of guidance, quality assurance and the Performance Management Framework. We also noted the need for the Council Plan and Performance Management Framework to be reconsidered to reflect the fundamental changes to priorities and resources arising from the Covid-19 emergency.

Other Risk Based Audits

47. In accordance with our annual plan, we have undertaken reviews across all departments and the following provides a brief insight into the results highlighted within some of these reviews.
48. We completed a further review of the arrangements for managing the Council's vehicle fleet which featured ongoing weaknesses with regard to the management of the workforce, existing IT systems and stores management.
49. Our review of Fostering, Adoption and Placement highlighted weaknesses on their system and policy.
50. Our review of the Royal Centre highlighted a number of areas for improvement within procurement, the box office, staff management and business continuity

51. Our first review of Nottingham Schools Trust provided some scope for further improving the governance arrangements in place.

Grants

52. Over time, there has been an increasing requirement from grant providers for our involvement in the verification of grant conditions prior to sign-off, which is reflected in the Audit Plan. During 2019/20 a number of grant certifications were subject to routine work by Internal Audit including Troubled Families, various Transport Grants and Disabled Facilities. The value of these grant claims was £9.9m. There are no significant issues to report.

£9.9m of grant certifications.

Corporate Reviews

53. We have considered the policy framework in place within the Council and the Head of Internal Audit has been given an overview of the arrangements in place.

54. Our review of Payroll Terms & Conditions, which largely covered adherence to policy, produced a Significant level of assurance

55. We reported our findings on the Disciplinary Process during the year which has produced a Moderate level of assurance with some scope for improvement in areas such as record maintenance and HR colleagues' role in maintaining a quality control process.

56. Our review of Absence Management produced a Limited level of assurance and we noted that although there is a clear policy in relation to absence, this is not adhered to on a consistent basis. In our view, there is scope for improving monitoring and assurance arrangements.

57. We have complete a follow up on previous recommendations made in respect of Recruitment and Retention which shows a positive direction of travel

Culture / Ethics

58. During the year the Internal Audit team reviewed a number of culture and ethics issues. We propose to follow up on our findings in the 2020/21 audit plan.

Fraud and Whistleblowing

59. Internal Audit includes a Corporate Counter Fraud Team (CCFT) that was established to investigate suspected financial irregularities, conduct pro-active counter fraud exercises and ultimately, save the council money. Since its inception, the team has identified income in excess of £3.8m and savings exceeding £1.6m.

Since its inception, CCFT has identified income in excess of £3.8m and savings exceeding £1.6m.

60. The team had a cashable income/savings target of £400k for 2019/20, which was exceeded. During 2019/20, CCFT undertook several proactive exercises in relation to Business Rates including a review of Listed Buildings, finished off a GIS mapping project on small business rate relief plus many referrals from NCC colleagues.

61. The team is responsible for coordinating the Council's response to the biennial National Fraud Initiative (NFI). This pro-active exercise requires the council to consider the results of matching specific sets of data obtained from local authorities throughout the country. This process prompts investigations and where appropriate, prompts discussions regarding systems weaknesses and the potential for fraud. The next exercise is due in January 2021.

62. The team has carried out a review of the council's single person discount scheme in line with the National Fraud Initiative (NFI) along with investigating hundreds of referrals from NCC colleagues in relation to council tax liability issues.

63. The National Fraud Initiative data matching exercise that is coordinated by the team, flagged council tax accounts that were receiving a sole occupier discount and a number of these discounts were removed.

64. The team investigated council tax referrals where backdated discounts or an empty property premium were requested.
65. The team is heavily involved in assisting Nottingham City Homes (NCH) in relation to tenancy fraud issues and the vetting of applications to the Council's Right to Buy Team (RTB). This work has resulted in many properties being reclaimed by NCH and stopped several fraudulent RTB applications
66. The team has responded to referrals from around the council and provided support for managers.
67. Internal Audit acts as a first point of contact for most whistleblowing concerns and supports the Council's Monitoring Officer who is ultimately responsible for managing the complaints received. We assess all reported irregularities or whistleblowing concerns that are consequently investigated by ourselves, the relevant directorate or HR colleagues, as appropriate.
68. We advise on changes to the whistle blowing code in conjunction with colleagues in HR, advise on any proposed refresh to the Gifts and Hospitality guidance for employees and refresh the Counter Fraud Strategy where necessary.
69. The Council's response to the COVID-19 pandemic may have resulted in an increased risk of fraud due to the nature of some of the financial limits and process changes made in order to maintain supplier cash flow, reduce supervisory check volumes, and process business grants according to government instructions. Over the past few months the CCFT has provided substantial assistance to the teams responsible for processing the applications for grants, in accordance with Government instructions. This has mainly encompassed work delivering the NNDR support grants and also some work around the discretionary grants to businesses. Post payment checks and investigations are being carried out in this area too to highlight any potential fraudulent cases. One full time member of the team was seconded to assist on the Social Care side of the business.

Data Analytics

70. We aim to utilise data analytics as a part of our planning process, to allow us to understand the total population within each data areas, to identify issues, focus the scope of our work, target sampling etc. We have used it on our

work on Housing Benefits, pro-active counter fraud exercises, Procurement, Payroll, Accounts Receivable and plan to further expand our use of data analytics going forward.

71. In addition to undertaking an analysis of the Council's procurement data, we considered the possibility of fraud occurring within the procurement environment. To that end, we undertook a data matching exercise to match Accounts Payable data with the Council's Payroll data. The matching exercise has the potential to identify employees who are connected with outside suppliers.
72. We have taken data analytics approach to reviewing all colleague expenses during the year with a view to detecting anomalies that may be indicators of high impact fraudulent activity.

Data Analytics is a key activity for the future to ensure the most effective use of reduced resources.

Follow-Up of Recommendations

73. The Committee sees summaries of all reports issued and the associated recommendations as part of its review of IA performance. Systems are in place to monitor these recommendations, and those outstanding beyond their target date are reported to the responsible colleague nominated in the agreed action plans for their follow up. Our programme of activity to follow-up recommendations during 2019-20 year has identified a positive response from client departments.

External and Other Assurance Providers

74. We have reviewed information from external providers of assurance during 2019/20 and identified further requirements in order to be able to assess the assurance concerns identified. These are found within Appendix E.

75. NCC wholly owned companies have been audited with respect to 2018/19 and are currently being audited for 2019/20. We rely upon the assurance provided and where appropriate follow up any issues identified.

76. Corporate Directors and statutory officers have provided an assurance statement supporting the AGS. These statements have been supplemented by assurance gathered from key colleagues responsible for Internal Audit, Risk, Human Resources, significant partnerships and group members, and have also been informed by independent external reviews, including those carried out by the external auditor. The assurance is based around questionnaires developed from the CIPFA/SOLACE Framework for Corporate Governance. As a result of the review of the effectiveness of the governance framework, the arrangements are considered to need improvement, particularly in respect of the significant issues identified, most notably the recent Report in the Public Interest by the external auditor.

Changes to Internal Audit Plan

77. There have been no major changes to the 2019/20 Audit Plan since it was last reported.

4. Quality Assurance & Improvement Plan

Purpose

78. Internal Audit's Quality Assurance and Improvement Programme (QAIP) is designed to provide reasonable assurance to the various stakeholders of Nottingham City Council Internal Audit that the service:

- * Performs its work in accordance with its Audit Charter, which is consistent with the Public Sector Internal Audit Standards, Definition of Internal Auditing and Code of Ethics
- * Operates in an efficient and effective manners; and
- * Is adding value and continually improving Internal Audit operations.

79. The Head of Audit and Risk is ultimately responsible for the QAIP, which covers all types of Internal Audit activities, including work with external clients. The QAIP must include both internal and external assessments. Internal

assessments are both ongoing and periodical and external assessments must be undertaken at least once every five years; we expect the next external assessment to take place in 2022.

Local performance Indicators

80. The table below illustrates how the service has met its key quality and output objectives reflected in its Charter and agreed by the Committee.

TABLE 2: PERFORMANCE OUTTURN				
Indicator		Target	Actual Year	Comments
1.	% of all recommendations accepted	95%	100%	Above Target
2.	% of high recommendations accepted	100%	100%	Achieved
3.	Average number of working days from draft agreed to the issue of the final report assurance	8 days	3 days	Above Target
4.	Number of key / high risk systems reviewed	12	12	Achieved
5.	% of colleagues receiving at least three days training per year	100%	75%	Below Target (Covid impact)
6.	% of customer feedback indicating good or excellent service	85%	92%	Above Target

Public Sector Internal Audit Standards (PSIAS)

81. The service works to a charter endorsed by the Audit Committee. This charter governs the work undertaken by the service, the standards it adopts and the way it interfaces with the Council. IA colleagues are required to adhere to the code of ethics, standards and guidelines of their relevant professional institutes and the relevant professional auditing standards.
82. The Public Sector Internal Audit Standards (PSIAS) introduced a mandatory requirement for an external assessment of an organisation's internal audit function, which has to be completed once every five years by a qualified, independent reviewer from outside of the organisation. Following a successful external assessment in 2017, the recommendations from this assessor's report, along with improvements highlighted by our own self-assessment were combined into an Improvement Plan. We have continued to work on the four areas that featured partial-conformance, throughout 2019/20. We have been working on the requirements of the Improvement Plan and to date we have no areas of non-conformance with the standards.
83. The service has met the requirements of the Accounts and Audit Regulations 2015 and associated regulations in respect of the provision of an IA service.

The service has met the requirements of the Accounts and Audit Regulations 2015

Monitoring

84. Internal Audit is committed to working to the highest professional standards, and to delivering a quality product that adds value to senior management. As such, performance is actively monitored and feedback from management is encouraged.

85. Internal Audit has a system in place to effectively monitor work done in line with the agreed plan planned. The system is used to allocate assignments and to evidence completed work, to provide key performance information for management (as set out above). Auditors are required to complete timesheets to record work undertaken on their assignments and tasks they are allocated, so management can continually assess the Plan against Actual position for individual audits and across the overall Plan. The achievement of the service delivery plan actions is monitored and reported to the Strategic Director of Finance and discussed with the audit team.
86. Each audit is subject to supervisory review by a senior member of the team who ensures the focus is retained throughout the course of the assignment and time is used to best effect. The reviewer will also undertake checks to ensure that professional standards are maintained. All reports are viewed by the Audit Manager before issue. Any report with assurance ratings of “No Assurance”, or any with a significant issue to report, are reviewed by the Audit Manager and shared with the S151 officer and the Head of Audit and Risk for an urgent follow up.
87. Following the issue of a draft audit report, a meeting is held with the client manager with an opportunity for them to consider the audit findings, proposed recommended actions and the response to be made by the service including action and timescales. This provides a degree of assurance that the final reported position is accurate and that any recommendations considered are acted upon in a timely and robust manner.

5. Internal Audit Plan 2020-21

88. The number of days allocated in the plan for 2020/21 to provide the Head of Internal Audit with the necessary evidence for the opinion on the control environment is 2386, which includes the resources required to provide internal audit services to external clients. A summary of the IA Plan for 2020/21 is provided in Appendix C of this report.
89. The Council is having to make significant cuts to its budget and contributing to this process is the Voluntary Redundancy Scheme. The current number of colleagues within Internal Audit and Counter Fraud Team will be affected in-year by the VR Scheme and we have therefore reduced the estimated number of days available.

90. As part of our approach to the 2020/21 audit plan, we will aim to concentrate our resources on those areas which are of greatest concern to the Council's S151 Officer.

91. We hope to further expand our use of data analytics to provide greater assurance for management from our work.

92. As with previous years, the plan was compiled in consultation with stakeholders across the council and has taken into account our professional judgement, our assessment of risk and the requirements of external auditors. The plan is centered on the need to align audit activity to Council objectives and to meet the requirements of effective corporate governance, including the Annual Governance Statement (AGS).

Final Audit Reports issued 1st January to 31st March 2020 (Quarter 4)

Appendix A

Department	Division	Activity	Level of Assurance	High	Medium	Low
Children and Adults	Adult Social Care Quality and Change	ASC - ContrOCC Feeder Systems – Follow Up *	Limited Assurance	0	0	0
Children and Adults Total				0	0	0
Counter Fraud		Colleagues Expenses	Moderate Assurance	0	0	0
Counter Fraud Total				0	0	0
Development & Growth		Housing Rents 2019-20 *	Limited Assurance	0	1	0
	Planning and Regeneration	Section 106 Fees Follow Up *	Moderate Assurance	0	1	0
	Strategic Asset & Property Management	Estates Rents 2019-20 *	Significant Assurance	0	0	0
		Commercial and Investment Properties Health & Safety – Follow Up *	Limited Assurance	0	0	0
Development & Growth Total				0	2	0
Strategy and Resources	Information Technology	Cyber Security – Follow Up *	Moderate Assurance	0	0	0
	Procurement and Commissioning	Contract Management	Limited Assurance	5	2	0
	Strategic Finance	NCC Accounts Payable 2019-20	Significant Assurance	0	0	0
		NCC Accounts Receivable 2019-20 *	Significant Assurance	0	0	0

Department	Division	Activity	Level of Assurance	High	Medium	Low
		Housing Benefits 2019-20 *	Moderate Assurance	1	0	0
		Main Accounting 2019-20	Significant Assurance	0	0	0
		Bank Reconciliation 2019-20	Significant Assurance	0	0	0
	Strategy and Policy	Use of Social Media	Significant Assurance	0	3	0
Strategy and Resources Total				6	5	0
Grand Total				6	7	0

* The table shows new recommendations only – the overall numbers of recommendations on each report may include previously raised recommendations where actions are either incomplete or partially complete this is reflected in the summaries in Appendix B

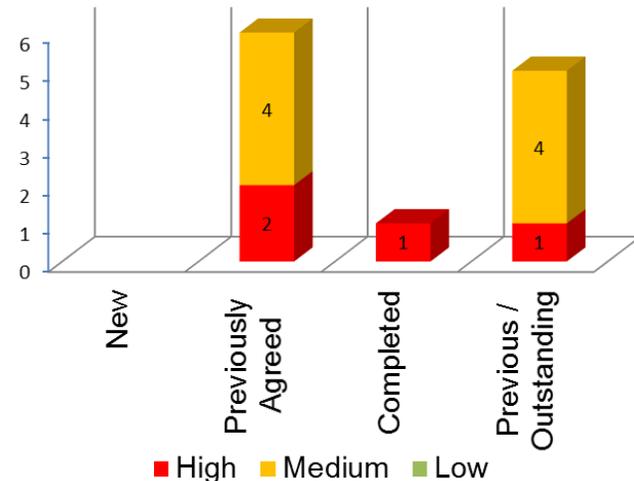
ASC - ContrOCC Feeder Systems Review - Follow-up

Department: Children and Adults	Overall Opinion: Moderate Assurance 	Direction of Travel:  Improvement in some areas
Previous review: None	<u>Scope and Approach:</u> This review considered the following aspects: <ul style="list-style-type: none"> • Document the payment / income system • Review the methodology by which data is transferred • Review and test a sample from each system to ensure the file transfers are accurate and complete • Review any reconciliations undertaken by the host 	

High Priority Recommendations

2018-19 R4 – To reduce the risk of fraud occurring / assist with the detection of fraud, the authorising officer (who is segregated from the process of inputting bank details) should use the D5 Control Report to check that any new bank accounts have been created correctly. This would involve checking that there is valid evidence of a change in bank details and ensuring the details input onto the system match those submitted on the evidence. Any discrepancies should be reported immediately to senior management.

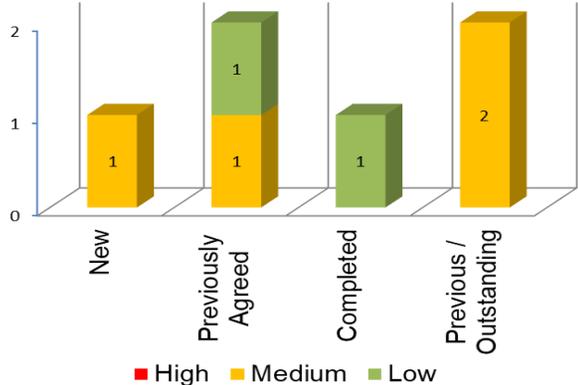
Summary of recommendations by priority



Data Analytics - Colleague Expenses 2019-20

Department: HR and Customer	Overall Opinion: Moderate Assurance 	Direction of Travel: No Change 
Previous review: 2018-19	<u>Scope and Approach:</u> This review considered the following aspects: <ul style="list-style-type: none">• A high level analysis of Colleague Expenses	
High Priority Recommendations No recommendations for action		

Housing Rents 2019-20

<p>Department: Development and Growth</p> <p>Previous review - Housing Rents 2018/19</p>	<p>Overall Opinion:</p> <p>Significant Assurance </p>	<p>Direction of Travel:</p> <p>Assurance level maintained </p>																				
<p><u>Scope and Approach:</u> This review considered the following aspects of the rents system:</p> <p>Annual rents are approved as part of the financial planning process Housing stock is reconciled on an annual basis Rent income collected through the Radius system and posted onto the general ledger is reconciled to rent income received on the housing rents module of the housing system. There is a weekly reconciliation between HB system, Housing Rents iWorld and General Ledger. Low or nil rent properties on the HRA are reviewed on at least an annual basis for appropriateness. Annual rent increases have been applied to the system correctly. There is adequate performance management of void properties. There are appropriate access controls to the Northgate Housing System Follow up of previous audit recommendations.</p>																						
<p>High Priority Recommendations</p> <p>There are no high priority recommendations.</p>	<p>Summary of recommendations by priority</p>  <table border="1"> <caption>Summary of recommendations by priority</caption> <thead> <tr> <th>Category</th> <th>High</th> <th>Medium</th> <th>Low</th> </tr> </thead> <tbody> <tr> <td>New</td> <td>0</td> <td>1</td> <td>0</td> </tr> <tr> <td>Previously Agreed</td> <td>0</td> <td>1</td> <td>1</td> </tr> <tr> <td>Completed</td> <td>0</td> <td>0</td> <td>1</td> </tr> <tr> <td>Previous / Outstanding</td> <td>0</td> <td>2</td> <td>0</td> </tr> </tbody> </table>		Category	High	Medium	Low	New	0	1	0	Previously Agreed	0	1	1	Completed	0	0	1	Previous / Outstanding	0	2	0
Category	High	Medium	Low																			
New	0	1	0																			
Previously Agreed	0	1	1																			
Completed	0	0	1																			
Previous / Outstanding	0	2	0																			

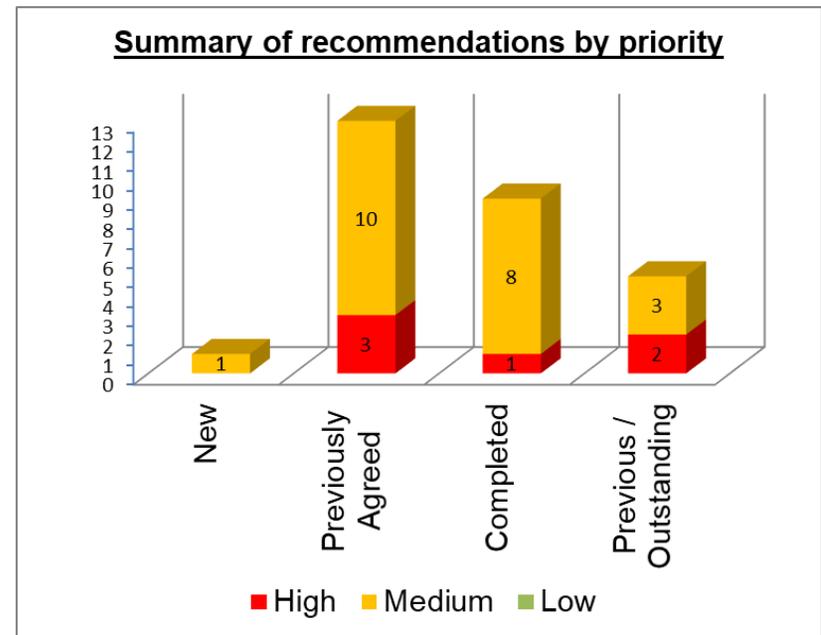
Section 106 Fees - Follow-up

Directorate: Planning Services	Overall Opinion: Moderate Assurance 	Direction of Travel: 
Previous reviews: S106, 9 th January 2019	<u>Scope and Approach:</u> The scope was limited to a review of recommendations from the previous report.	

High Priority Recommendations

2018/19 R5 Monitoring of trigger points/ overdue contributions should be robustly and regularly reviewed to ensure prompt payment.

2018/19 R6 The monitoring fee allocation should be used to fund effective monitoring of the s106 process, both in Planning and Finance

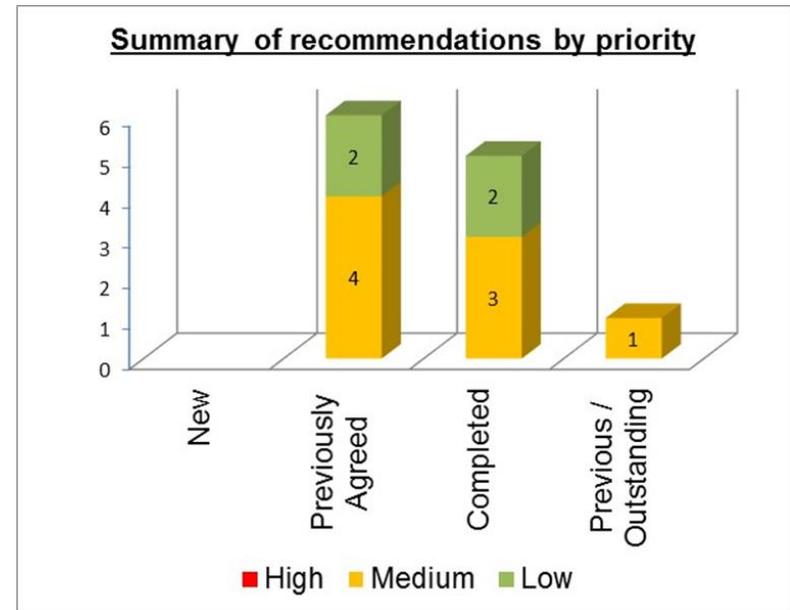


Estate Rents 2019-20 - Follow-up

Department: Development & Growth - Strategic Asset and Property	Overall Opinion: Significant Assurance 	Direction of Travel: 
Previous review: Estate Rents 2019-20	<u>Scope and Approach:</u> The scope was limited to a review of recommendations from the previous report	

High Priority Recommendations

There are no high priority recommendations



Commercial and Investment Properties Health and Safety - Follow Up

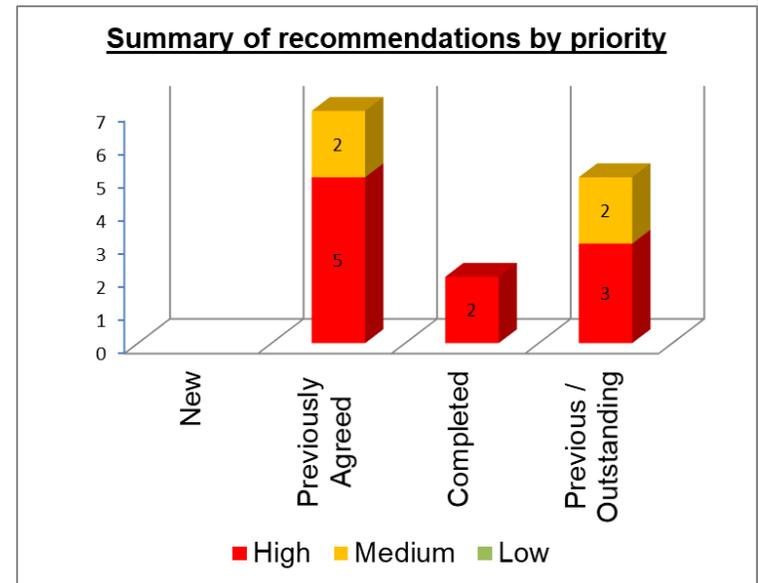
<p>Directorate: Property</p> <p>Previous reviews: Health & Safety-Property – 7 June 2019</p>	<p>Overall Opinion:</p> <p>Limited Assurance </p>	<p>Direction of Travel: </p>
<p><u>Scope and Approach:</u></p> <ul style="list-style-type: none"> Follow up of the recommendation from the 2018/19 report 		

High Priority Recommendations:

2018/19 R1 There is no framework in place for senior management to receive assurance on H&S functions in commercial property.

2018/19 R2 Responsibilities for H&S, particularly fire risk within Property Investment, remain unclarified.

2018/19 R5 H&S is impacted by the lack of resources in Property Investment to carry out regular visits of properties and produce adequate records.



IT Audit - Cyber Security - Follow-up

<p>Department: Strategy & Resources</p> <p>Previous review:</p> <p>Cyber Risk review 2018/19 – issued May 2019</p> <p>IT Security 2016-17 issued July 2017</p>	<p>Overall Opinion:</p> <p>Moderate Assurance </p>	<p>Direction of Travel: </p>
<p><u>Scope and Approach:</u> This review followed-up the outstanding recommendations made in May 2019</p>		

High Priority Recommendations

2017-18 R3 A Cyber-Risk Strategy should be developed corporately to address the education /skills requirements and the technologies and resourcing required now and in the future for City Council to combat the cyber threat

2017-18 R8 Managers should be reminded of their responsibility to notify any change in circumstance to the ICT Service Desk.

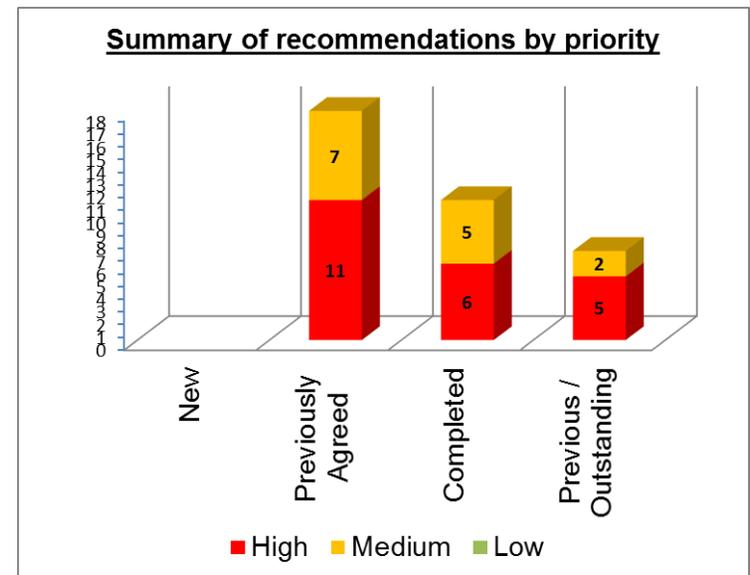
In addition, IMAB may wish to monitor this control and any subsequent issues as a means of ensuring the security of the data.

2017-18 R11 Patching is one of the key controls and the level of achievement should be reported, to ITLT and to the IMAB as part of the assurance framework.

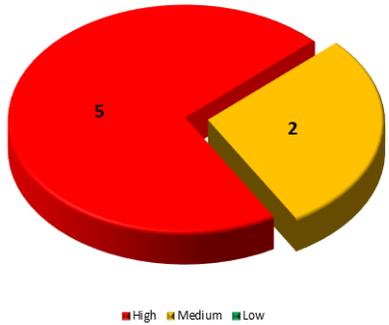
In addition, when Nexpose is used then the residual level of risk exposure to the City Council should also be reported.

2017-18 R12 A Social engineered assessment should be undertaken to identify risks to the City Council and the opportunities to embed good practice within the organisation.

The outcome of the initial assessment could then be used as baseline for reporting the level of assurance to the IMAB.



Contract Management

<p>Department: Strategy & Resources</p>	<p>Overall Opinion: Limited Assurance </p>	<p>Direction of Travel: Not assessed – previous reviews focused on contract management in specific activities</p>								
<p>Previous review: This is a corporate review – previous reviews have focused on specific activities</p>	<p><u>Scope and Approach:</u> This review considered the following aspects of contract management:</p> <ul style="list-style-type: none"> • corporate support for contract management /strategic direction and oversight on contract management, including contract management policy and procedures • governance arrangements • roles, responsibilities, competencies and accountabilities • supplier management, change control and contract performance monitoring • financial and risk management • strategic oversight and assurance reporting 									
<p>High Priority Recommendations</p>										
<p>R1 As part of an assurance framework for contract management: Implement a clear contract management framework that manages contract risk and allocates contracts to governance tiers and contract management responsibilities to competent contract managers either centrally or departmentally, by considering factors including value, risks, importance, and complexity. Implement corporate oversight by portfolio to provide assurance that clear contract management plans are in place and contracts are well-constructed and performance based. Implement contract management systems and processes that allow consistent measurement of performance and value for money in line with the Council’s objectives and savings targets</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>5</td> </tr> <tr> <td>Medium</td> <td>2</td> </tr> <tr> <td>Low</td> <td>0</td> </tr> </tbody> </table>		Priority	Count	High	5	Medium	2	Low	0
Priority	Count									
High	5									
Medium	2									
Low	0									

Collect customer and supplier feedback in order to :

- help monitor contract compliance
- support strategy development

measure benefits, including savings obtained.

R2 A Contract Management Policy and associated standards and guidance toolkit should be developed to ensure that all contracts are managed in a consistent and compliant manner. This should be available to all contract managers.

R4 The level and location of scrutiny that contracts should receive should be determined at the contract procurement stage. A Contract Assessment Matrix should be introduced and completed to confirm the governance tier required.

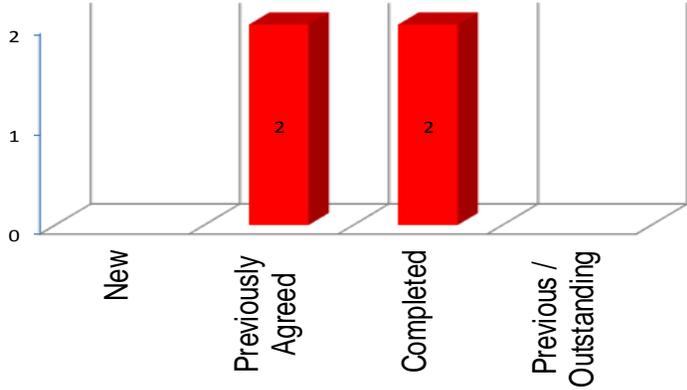
R5 Procedures should be in place to ensure that all contracts are subject to a commercial risk assessment. There should be regular risk reviews across the whole contract portfolio to test and benchmark commercial risk and consider other risk themes such as supplier risk. A risk register should be developed and any departmental or corporate risks escalated as appropriate.

R6 The new corporate financial system Oracle Fusion should ensure the following:

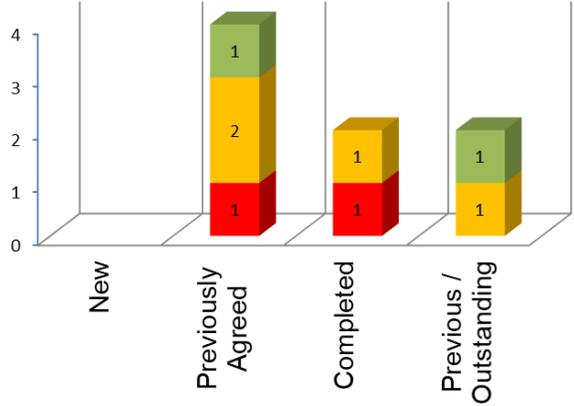
- contract identification
- contract details i.e. value, start and end dates, manager's name
- contract creation only if there is relevant approval
- approval to spend only if there is contract in place
- approval of payments should be automatically linked to contract

reporting facilities to evidence spend by contract and business area

NCC Accounts Payable 2019-20

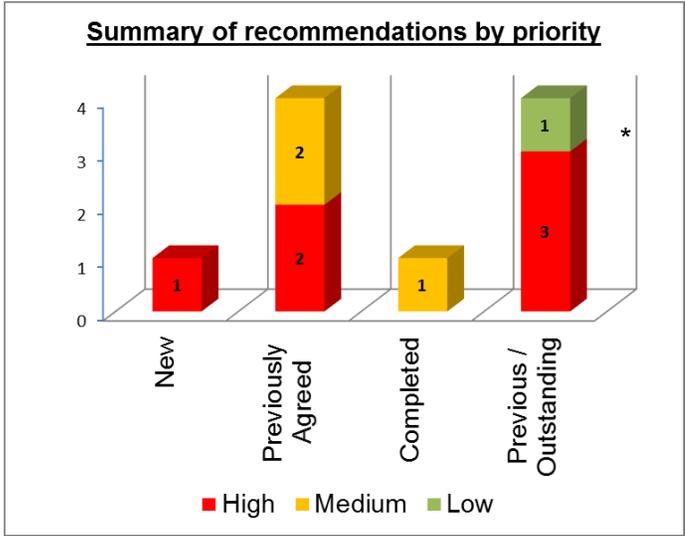
<p>Department: Resources</p> <p>Previous review: Annual</p>	<p>Overall Opinion:</p> <p>Significant Assurance </p>	<p>Direction of Travel: </p>																				
<p><u>Scope and Approach:</u> This review considered the following aspects of accounts payable:</p> <ul style="list-style-type: none"> • Authorisation of payments • Invoices paid via CHAPS / BACS • Invoices on Hold 																						
<p>High Priority Recommendations</p> <p>No recommendations</p> <div data-bbox="1129 649 1957 1149" style="border: 1px solid black; padding: 10px; margin-top: 20px;"> <p style="text-align: center;">Summary of recommendations by priority</p>  <table border="1" style="margin-top: 10px; width: 100%; text-align: center;"> <thead> <tr> <th>Category</th> <th>High</th> <th>Medium</th> <th>Low</th> </tr> </thead> <tbody> <tr> <td>New</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Previously Agreed</td> <td>2</td> <td>0</td> <td>0</td> </tr> <tr> <td>Completed</td> <td>2</td> <td>0</td> <td>0</td> </tr> <tr> <td>Previous / Outstanding</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> </div>			Category	High	Medium	Low	New	0	0	0	Previously Agreed	2	0	0	Completed	2	0	0	Previous / Outstanding	0	0	0
Category	High	Medium	Low																			
New	0	0	0																			
Previously Agreed	2	0	0																			
Completed	2	0	0																			
Previous / Outstanding	0	0	0																			

NCC Accounts Receivable 2019-20

<p>Department: Strategy & Resources</p> <p>Previous review: Accounts Receivable 2018-19 Accounts Receivable 2017-18</p>	<p>Overall Opinion: Significant Assurance </p>	<p>Direction of Travel: Some improvement in resolution of outstanding recommendations </p>																				
<p><u>Scope and Approach:</u> This review considered the following aspects:</p> <ul style="list-style-type: none"> • Review of documentation supporting the raising of invoices and credit notes • Review of the level of accounts receivable debt • Review of the write-off of unrecoverable debt • Review of unapplied / unallocated in suspense • Follow-up of outstanding recommendations from previous audit reviews 																						
<p>High Priority Recommendations</p> <p>None</p> <div data-bbox="1276 786 1959 1320" style="border: 1px solid black; padding: 10px;"> <p style="text-align: center;">Summary of recommendations by priority</p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Category</th> <th>High</th> <th>Medium</th> <th>Low</th> </tr> </thead> <tbody> <tr> <td>New</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Previously Agreed</td> <td>1</td> <td>2</td> <td>1</td> </tr> <tr> <td>Completed</td> <td>1</td> <td>1</td> <td>0</td> </tr> <tr> <td>Previous / Outstanding</td> <td>0</td> <td>1</td> <td>1</td> </tr> </tbody> </table> </div>			Category	High	Medium	Low	New	0	0	0	Previously Agreed	1	2	1	Completed	1	1	0	Previous / Outstanding	0	1	1
Category	High	Medium	Low																			
New	0	0	0																			
Previously Agreed	1	2	1																			
Completed	1	1	0																			
Previous / Outstanding	0	1	1																			

Housing Benefits 2019-20

<p>Department: Strategy and Resources</p> <p>Previous review:</p> <ul style="list-style-type: none"> This is an annual audit – under our previous assurance model the assessment was Significant Assurance but under the current model the assessment would have been classified as Moderate Assurance 	<p>Overall Opinion:</p> <p>Moderate Assurance </p>	<p>Direction of Travel: </p> <p>The service has substantially eliminated the backlog of ATLAS files from the DWP needing further processing, but subsidy cash flow delays need to be prevented.</p>
	<p><u>Scope and Approach:</u> This review considered the following aspects of the Benefits service:</p> <ul style="list-style-type: none"> Subsidy Outturn, workload balance and quality control Reconciliations and payments process Parameter control process Review of previous recommendations. 	
<p>High Priority Recommendations</p> <p>2019-20 R1 Discuss the cash flow situation and subsidy audits with DWP, with the aim of reducing the impact of subsidy adjustments.</p> <p>2017-18 R3 Ensure that an additional NCC Client Team member has training to upload Atlas files to improve resilience for this key activity.</p> <p>2017-18 R5 The Finance Team Leader – contract Management should identify parameters which indicate cost benefit in deploying additional resources, and obtain authority to make those resources available where indicated so as not to lose subsidy (of a greater value). Structures and activities of local authorities whose subsidy claims are not qualified should be considered.</p> <p>* One recommendation downgraded from Medium to Low priority.</p>		



Main Accounting 2019-20

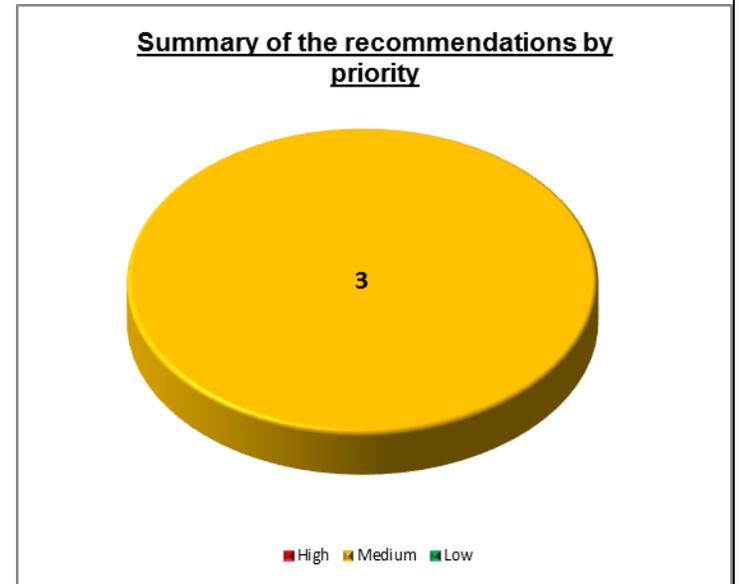
<p>Department: Strategy and Resources – Strategic Finance.</p> <p>Previous review: Annual Audit – last reported February 2019</p>	<p>Overall Opinion: </p> <p>Significant Assurance</p>	<p>Direction of Travel: </p>
<p><u>Scope and Approach:</u> This review considered the following aspects of the Main Accounting system:</p> <ul style="list-style-type: none"> ❖ Carry forward and brought forward balances are able to be reconciled. ❖ Ledger and interface integrity monitoring ❖ Suspense and holding accounts are in place, regularly reviewed and cleared ❖ Reconciliations are undertaken timely ❖ The processes operated for journal input. 		
<p>High Priority Recommendations</p> <p>There are none to report in 2019-20.</p>		

Use of Social Media

<p>Department: Strategy and Resources</p>	<p>Overall Opinion: Significant Assurance </p>	<p>Direction of Travel:  This is the first time that this area has been reviewed.</p>
<p>Previous review: None</p>	<p><u>Scope and Approach:</u> The objective of this review is to identify and assess the controls in place within the Social Media platforms in operation with specific emphasis on the governance arrangements which are in place.</p>	

High Priority Recommendations

There are no high priority Recommendations



Audit Title	Planned Days
Governance	260
Organisation	170
Key Financial Systems	150
Procurement & Projects Programme Management	170
Big Ticket / Risk Based Service Reviews	90
Compliance / Challenge	80
ICT and Information Governance	120
Counter Fraud	400
Corporate Fraud Strategy	45
Companies / Other Bodies	271
Consultancy, Advice and Support	490
Development , Redesign & Quality	140
Total Days	2386

Final Audit Reports issued during 2019-20 (1/04/19 to 31/03/20)

Appendix D

Department	Audit Name	Rating
Children and Adults	Schools Themed - Safeguarding & Casey Follow Up	Significant Assurance
Children and Adults	Henry Whipple Primary 2019-20	Significant Assurance
Children and Adults	ASC - ContrOCC Provider Portal	Significant Assurance
Children and Adults	Fernwood Primary School	Significant Assurance
Commercial and Operations	Catering Contracts follow up	Significant Assurance
Commercial and Operations	Commercial Waste Contracts	Significant Assurance
Development & Growth	Estate Rents 2019-20	Significant Assurance
Development & Growth	Housing Rents 2019-20	Significant Assurance
Development & Growth	Estate Rents 2019-20	Significant Assurance
Development & Growth	Housing Rents	Significant Assurance
NCC Corporate	Risk Management follow-up	Significant Assurance
Strategy and Resources	Bank Reconciliation 2019-20	Significant Assurance
Strategy and Resources	Main Accounting 2019-20	Significant Assurance
Strategy and Resources	Disabled Facilities Grant (DFG) 2018-19	Significant Assurance
Strategy and Resources	Treasury Management	Significant Assurance
Strategy and Resources	Budget Monitoring	Significant Assurance
Strategy and Resources	NCC Accounts Payable 2019-20	Significant Assurance
Strategy and Resources	NCC Accounts Receivable 2019-20	Significant Assurance
Strategy and Resources	NPIF Grant for Year Ending 2018-19	Significant Assurance
Strategy and Resources	PCI Compliance	Significant Assurance
Strategy and Resources	Use of Social Media	Significant Assurance
Strategy and Resources	NCC Accounts Payable 2018-19	Significant Assurance
Strategy and Resources	Councillor Allowances 2018 -19	Significant Assurance
Strategy and Resources	Performance Indicators	Significant Assurance

Department	Audit Name	Rating
Strategy and Resources	Recruitment & Retention - Follow Up	Significant Assurance
Counter Fraud	Counter Fraud -Colleague Expenses	Moderate Assurance
Strategy and Resources	IT Audit - Cyber Security - Follow-up	Moderate Assurance
Strategy and Resources	Housing Benefits 2019-20	Moderate Assurance
Development & Growth	Section 106 Fees	Moderate Assurance
Development & Growth	Traffic & Safety Capital Projects - Follow Up	Limited Assurance
Children and Adults	Crabtree Primary School - Follow Up	Limited Assurance
Children and Adults	ASC - ContrOCC Feeder Systems review - Follow-up	Limited Assurance
Children and Adults	Dovecote Primary School	Limited Assurance
Children and Adults	Fostering, Adoption and External Placements 2019-20	Limited Assurance
Children and Adults	Nottingham Schools Trust 2019-20	Limited Assurance
Children and Adults	Children and Adults - Liquidlogic and ContrOCC systems administration	Limited Assurance
Children and Adults	Crabtree Primary School	Limited Assurance
Commercial and Operations	Waste Manager - Application review - Follow-up	Limited Assurance
Commercial and Operations	Fleet Management	Limited Assurance
Commercial and Operations	Royal Centre & Concert Hall 2019-20	Limited Assurance
Commercial and Operations	Waste Manager - Application review	Limited Assurance
Development & Growth	Investment Property and Land Disposals	Limited Assurance
Development & Growth	Commercial and Investment Properties Health and Safety - Follow Up	Limited Assurance
Development & Growth	Commercial and Investment Properties Health and Safety	Limited Assurance
Strategy and Resources	Business Continuity and Disaster Recovery - Follow-up	Limited Assurance
Strategy and Resources	Data Protection Follow Up	Limited Assurance
Strategy and Resources	Income and Debt Collection - follow-up	Limited Assurance
Strategy and Resources	Contract Management	Limited Assurance
Strategy and Resources	Procurement 2019-20	Limited Assurance

Department	Audit Name	Rating
Strategy and Resources	NCC Accounts Receivable 2018-19	Limited Assurance
Strategy and Resources	Capital Programme	Limited Assurance
Strategy and Resources	Housing Benefits 2018-19	Limited Assurance
Strategy and Resources	LA Bus Subsidy Grant Year Ending 2018-19	Grants Audit
Strategy and Resources	Transport Grant - LTP Capital Block Funding 2018-19	Grants Audit
Strategy and Resources	Troubled Families Grant Audit 2018-19	Grants Audit
Strategy and Resources	Highfields and Harvey Hadden Charity Accounts Y-E 31st March 2019	Charity Account

External Assurances

Appendix E

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
<p>National Audit Office on Food Safety & Standards & Food Safety Agency</p>	<p>National: NAO reported on Food Safety & Standards in June 2019 The report highlighted the national picture and made recommendations to the FSA and organisations in the food regulation system. The findings for note by NCC concerned:</p> <ul style="list-style-type: none"> • Level of funding allocated to food controls • Statutory objectives to conduct interventions • Trends in food safety and standards risks <p>Nottingham: Food Safety Agency - Report on the Audit of Food Law Service Delivery and Food Business Compliance 24-26 May 2016 The report highlighted the need for NCC to</p> <ul style="list-style-type: none"> • Ensure officer authorisation procedures were seen to be compliant with the Code of Practice • Set out in its service plan the resources required for delivering the service required by the Code of Practice against the resources available • Set out and implement an intervention strategy that ensures interventions are carried out at prescribed frequencies 	<p>Food Safety provided</p> <ul style="list-style-type: none"> • A summary of NCC approach to risk assessment of new food businesses, including how unregistered businesses are identified and dealt with • NCC performance figures for completion of food control interventions set out under the Food Law Code of Practice including a breakdown by risk category of food business • Issues connected to the statutory role of NCC in food safety & standards including the updated action plan from the 2016 FSA audit of NCC <p>We noted that a good level of dialogue had been maintained with FSA following the audit and that FSA had commented positively on the NCC responses. We reviewed the current service plan and confirmed that it reflected relevant risks, service demand metrics, resources and performance. We conclude that risks are adequately disclosed and managed, and that the service recognises and monitors the need for intervention by backfilling (for vacancies or in the case of a major outbreak) so as to enable a decision to be made in a timely way.</p>
<p>LGA & Rand</p>	<p>National:</p>	<p>Mandatory IT Security training has been implemented across</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
Europe	<p>LGA cyber security stocktake (Jan 2019)</p> <p>This report followed the NCSC's cyber assessment framework and raised concerns over cyber security in English councils, giving each a RAG rating across the segments of the analysis and in particular noted</p> <ul style="list-style-type: none"> • training and awareness of cyber security issues and arrangements offer the greatest opportunity for improvement • strong technical underpinnings for the sector, which provides a robust basis for continued cyber security improvements to be built on • partnerships are strong, which contributes to more resilient cyber security practices 	<p>the Council for all staff using computers. Training compliance for the Council is reported quarterly to the Information Compliance Assurance Board.</p> <p>The Annual Information Governance and Compliance Assurance Report was presented to Audit Committee on 31 January 2020. This report included</p> <ul style="list-style-type: none"> • roles and responsibilities • a summary of key activities / controls • a summary of resources • brief details of the Policy & Practice framework, • Information Compliance Performance Indicators, • a framework for Information Compliance Assurance reporting progress through a commentary and RAG rating, and • assurance regarding cyber security. <p>Internal Audit continue to provide a range of IT audits throughout the year including assessments concerning cyber security.</p>
KPMG	<p>Nottingham:</p> <p>External Audit of Housing Benefit subsidy – The latest reported audit is for the year 2016/17 and resulted in subsidy clawback. Problems have been experienced in completing the 2017/18 subsidy audit, and that has resulted in delays to subsidy cash flows.</p>	<p>Officers have been negotiating with DWP to explain the issues experienced in the subsidy audits and impacts on the Council, and share the Council's analysis. DWP are due to respond and the Council hopes that this will significantly reduce delays to subsidy cash flows. There are no reductions to the current subsidy claim but 2019-20 adjustments to recover are at a significant level.</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
		<p>We continue to review the outturn of subsidy audits and the associated systems as part of our internal audit work and make recommendations for improvements where appropriate.</p>
<p>CQC – Adult Social Care:</p>	<p>2019 REPORT</p> <p>National: CQC State of Care report (Oct 2019)</p> <p>Nationally, four out of five Adult Social Care providers were rated as good which was similar to the previous year. There were 282 more providers rated as outstanding and less variation in quality than the previous year.</p> <p>Similar pressures on services to those highlighted in 2018 were affecting people’s ability to access services.</p> <p>Workforce issues remained a pressure for the sector and staff turnover in all roles had continued to rise. Provider staff had highlighted a range of challenges facing the sector, including a lack of qualified nursing staff, not enough high-quality registered managers, and high vacancy rates and staff turnover leading to a high use of agency staff.</p> <p>Issues with funding were still a concern with pressures on local authority budgets and a lack of social care funding.</p> <p>Collaboration between services was highlighted by people who use services, telling organisations that represented them that different parts of the health and care system were not working together to deliver care effectively.</p>	<p>Recruitment in Adult Social Care remains an issue. A Workforce Strategy is currently being developed with HR to address these issues across both the internal and external workforce. The ‘Grow Your Own’ initiative is being used to support colleagues within the department to become qualified Social Workers.</p> <p>From the ‘Grow Your Own’ scheme for Occupational Therapists, 2 Community Care Officers qualified in July 2018 and are now employed within the department as level 1 Occupational Therapists.</p> <p>An Occupational Therapy Degree Apprenticeship is now in place – BSc Hons Occupational Therapy – Sheffield Hallam University</p> <ul style="list-style-type: none"> • Course due to start in Jan 2021 • Currently have 8 interested Community Care Officer Occupational Therapists, however due to stringent academic requirements for application only 1 (possibly 2 more pending on additional information) have the current academic requirements to apply. • Currently scoping out ways to support Community Care Officers to gain the required academic entry to pursue this further (this may be for 2022 cohort) <p>A Digital Strategy is being developed. The aims are to enable colleagues to work more efficiently through increased use of technology and digital solutions and for citizens to be enabled</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<p>Some adult social care services used technology to improve people’s lives, however, the report noted that the adult social care sector had faced more challenges in its adoption of technology. They attributed this to five key barriers:</p> <ul style="list-style-type: none"> • a lack of funding • a low level of knowledge and awareness • fear that technology could replace personal support • the perception that people who use adult social care are not interested • concerns about ethical or data protection implications 	<p>to live more independently and reduce the need for formal interventions.</p> <p>An App has been developed to support independence and a pilot for this is due to start. This will be evaluated after 6 months and will help inform other applicable services.</p> <p>A digital referral form has been developed for Nottingham Health & Care Point which will go live early this year and will be reviewed after 6 months. Initial scoping work with the Care Bureau indicates that there are efficiencies in processes to be gained through the use of digital and a further workshop is scheduled to develop this work.</p>
<p>IICSA Independent Inquiry into Child Sexual Abuse</p>	<p>Nottingham:</p> <p>On 31st July, the Independent Inquiry into Child Sexual Abuse (IICSA) published its findings into the extent of any institutional failures to protect children in the care of Nottingham City and Nottinghamshire County councils from sexual abuse.</p> <p>There were two key recommendations, for which NCC needed to publish its response by 29th February 2020:</p> <ol style="list-style-type: none"> 1. Nottingham City Council should assess the potential risk posted by current and former foster carers directly provided by the council in relation to the sexual abuse of children. They should also ensure that current and 	<p>NCC has taken the Inquiry extremely seriously and has considered its findings very carefully. NCC’s biggest priorities are to make sure that it does everything it can to protect today’s children from harm and provide the best possible support for abuse survivors.</p> <p>Like all councils, NCC is constantly striving to improve its services and will redouble its efforts to do that in light of this report. NCC will continue to implement changes in response to lessons learnt through the Inquiry process.</p> <p>The Audit Committee received a report on the findings of the Inquiry and the Council’s subsequent next steps for the IICSA report in September 2019.</p> <p>The Council developed and published a comprehensive action</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<p>former foster carers provided by external agencies are assessed by those agencies. Any concerns which arise should be referred to the appropriate body or process, including the Disclosure and Baring Service, the local authority designated officer (LADO) or equivalent, the fostering panel and the police.</p> <p>2. Nottingham City Council and its child protection partners should commission an independent, external evaluation of their practice concerning harmful sexual behaviour, including responses, prevention, assessment, intervention and workforce development. An action plan should be set up to ensure that any recommendations are responded to in a timely manner and progress should be reported to City's Safeguarding Children Partnership.</p>	<p>plan in October 2019 in partnership and reported to Nottingham City Council's Executive Board. This plan was submitted to IICSA.</p> <p>Progress against the plan is reviewed at the bi-monthly governance group and the Children and Young People's Scrutiny Committee requested an update against the action plan for their Spring committee meeting.</p> <p>Latest updates were provided to Audit Committee in June 2020 and Executive Board and Children and Young People's Scrutiny Committee in September 2020.</p> <p>To build on current work, Nottingham City Council has engaged a temporary external post to undertake external independent scrutiny to ensure that necessary actions have been undertaken.</p>
Children's Commissioner	<p>Stability Index 2019</p> <p>National:</p> <p>The Children's Commissioner has obtained data on placement and school stability for every local authority in England, and on social worker stability for nearly every local authority. They have published a national report and are writing to every Director of Children's Services and every Lead Member for Children's Services to notify them of their local area's rates of instability, and asking them to use the data published for their local area to identifying areas of concern. National recommendations have been made and the Children's Commissioner has determined that children</p>	<p>Further Assurance required. We are in contact with Children's Integrated Services to establish the Council's response to this work and planned activity.</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<p>in care should be placed in good or outstanding schools only. They are writing to local authorities where significantly low proportion of children in care are in these schools, seeking both an explanation and a commitment from the local authority to secure better school places for its children in care.</p>	
<p>HM Inspectorate of Probation: Inspection of youth offending services</p>	<p>Youth Offending Inspection Nottingham:</p> <p>Youth Justice Service (YJS) Inspection</p> <p>Nottingham Youth Offending Service was subject to a full three week joint inspection in November and December 2019. This inspection is part of a four-year programme with ratings across three broad areas:</p> <ol style="list-style-type: none"> 1. the arrangements for organisational delivery of the service; 2. the quality of work done with children and young people sentenced by the courts; and 3. the quality of out-of-court disposal work. <p>Overall, Nottingham City YJS is rated as 'Requires improvement' as reported 19 Mar2020.</p> <p>The key findings for organisational delivery were:</p> <ul style="list-style-type: none"> • Governance and leadership required improvement. • Staff was rated as good. • Partnerships and services were rated as good. • Information and facilities were rated as good. 	<p>A Nottingham City Youth Justice Service Improvement Plan has been developed. This is monitored by the Youth Justice Management Board which includes the Nottingham Youth Justice Service, Nottingham City Council, the National Probation Service, Nottinghamshire Police and Nottinghamshire Healthcare NHS Foundation Trust. The improvement plan has seven key objectives each with actions that are RAG rated and updates regarding progress.</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<p>The key findings for court disposals were:</p> <ul style="list-style-type: none"> • Assessment was rated as outstanding. • Planning was rated as good. • Implementation and delivery was rates as good. • Reviewing was rated as requiring improvement. <p>The key findings for out-of-court disposals were:</p> <ul style="list-style-type: none"> • Assessment was rated as inadequate. • Planning was rated as inadequate. • Implementation and delivery were rated as inadequate. • Joint working was rated as inadequate. <p>The following recommendation were made to the Youth Justice Service Management Board:</p> <ol style="list-style-type: none"> 1. review the out-of-court disposal process, making sure that cases are presented on time, and that decisions are consistent, based on an assessment of the child or young person, and are agreed by a multi-agency panel 2. ensure the partnership reviews the number of very young children known to the YJS, and that policies and practices do not result in children entering the criminal justice system unnecessarily 3. develop victim and restorative justice processes to ensure full consideration of the wishes and needs of victims, and opportunities for restorative justice are applied in every relevant case. <p>The Youth Justice Service heads of service should:</p>	

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<p>4. improve staff's access to clinical supervision and reconsider the use of mandatory interventions while promoting a trauma-informed practice approach to working with children and young people</p> <p>5. seek the views of children and young people, their parents/carers and other stakeholders, so that they can inform future service delivery</p> <p>6. review the quality assurance processes and improve the effectiveness of management oversight in all cases.</p>	
CQC	<p>Nottingham: Inspections under Section 60 of the Health and Social Care Act 2008 (the Act) which check whether the provider was meeting the legal requirements and regulations associated with the Act. The inspections look at the overall quality of the service and provided a rating for the service under the Care Act 2014. They cover 5 key questions:</p> <ul style="list-style-type: none"> • Is the service safe? • Is the service effective? • Is the service caring? • Is the service responsive? • Is the service well-led? <p>CQC NCC Cherry Trees Resource Centre (Inspected 10-</p>	No additional assurance required

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<p>11Jul2019 Reported 27Aug19) Overall rating and factor ratings all Good or Outstanding CQC NCC The Oaks Residential Home (Inspected 21Aug2019 Reported 23Sep19) Overall rating and factor ratings all Good</p>	
Ofsted	<p>Nottingham Education Annual Conversation (8 May 2019) Social Care Annual Conversation (8 May 2019)</p> <p>As part of the annual conversation, Ofsted looks at the latest reports and review improvement plans and performance data. This then informs the plan for the following year.</p> <p>Nottingham: Ofsted annual conversation (as part of Ofsted Inspection of Local Authority Children’s Services framework - ILACS)</p> <p>In the latest conversation Ofsted were interested to know more about how NCC were:</p> <ul style="list-style-type: none"> • managing the commissioning of placements for children in care, • our local work to respond to the challenges of knife crime and criminal exploitation in the City, • how we were continuing to improve outcomes for our children in care and • how we plan to continue to invest in our workforce and develop strong leadership at all levels. <p>Whilst their letter identified development areas as follows</p> <ul style="list-style-type: none"> • Measuring the impact of early interventions for vulnerable children 	<p>This assurance is managed through the annual conversation with Ofsted. NCC participates in inspections. A good assurance framework exists in this area.</p> <p>Noted all 8 Nottingham City Council Local Authority Childrens homes and short breaks unit have achieved an Ofsted Inspection result of either Good or Outstanding.</p> <p>Due to Covid, all Ofsted assurance and inspection activity is on hold until September 2020 at the earliest. The scheduled Nottingham Annual Conversation on 7 May 2020 has been delayed, however, the Corporate Director for People has monthly calls with Ofsted and at the moment is meeting weekly with the Department for Education regarding improvements.</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<ul style="list-style-type: none"> • Progress with your inclusion agenda • Improving transitions through all education phases 	
Ofsted	<p>Nottingham: Inspection of children’s social care services (5-16Nov2018)</p> <p>Overall rating and factor ratings all Requires Improvement to be Good</p> <p>Whilst there are strengths, improvements needed are to:</p> <ul style="list-style-type: none"> • Management oversight of the use of private fostering. • The quality of planning for children and their review across all service areas. • The recognition of and timely action for children living with sustained neglect. • The quality of management oversight and supervision of social workers to progress children’s plans. • The quality of return home interviews for children who go missing. • The educational progress and achievement for children in care. • The availability of sufficient and suitable emergency accommodation for vulnerable young people and children with complex needs. • The progress and timeliness of permanence plans for children, including fostering for adoption. 	<p>Areas for improvement have been broken down into a Children’s Improvement Plan of specific actions with responsibility assigned and target dates for completion set. Assurance had been reported to Executive Board, Children and Young People’s Scrutiny Committee, Corporate Leadership Team and Leadership. The inspection has since been superseded by the Ofsted Focused Visit in February 2020.</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
Ofsted	<p>Nottingham</p> <p>Focused Visit of our Children’s Social Care Services February 2020.</p> <p>On 4th February 2020, Children’s Integrated Services had a Focussed Visit from Ofsted to look at children subject to child in need and child protection planning and in particular:</p> <ul style="list-style-type: none"> • The quality of planning and review • The response to children at risk of sustained neglect • The quality of management oversight and supervision to progress plans. <p>Nottingham City Council Children’s Services were last inspected by Ofsted in November 2018 and were judged to ‘require improvement’ to be good. At this focused visit, inspectors found that the experience of children in need of help and protection has deteriorated since the last inspection.</p> <p>Over the last 12 months, despite efforts to increase recruitment, there have been significant shortfalls in capacity, with insufficient social workers and managers to cope with the volume of work. In addition, systemic weaknesses in social work practice across the service have led to risks to children not being understood or responded to. As a result, some children have been exposed to significant risk of harm from abuse and have not been adequately protected.</p> <p>There were two key areas for priority action:</p>	<p>In response to this inspection outcome services have:</p> <ul style="list-style-type: none"> • Had a Peer Challenge session on 19th February 2020 with regional colleagues from Derbyshire and Rutland • Provided an update to Leadership Group on 20th February 2020. • Developed an Improvement Plan that was signed off at CLT and Leadership Group and submitted to Ofsted w/c 16th March 2020. • Developed a monthly Children at the Heart Improvement Board. This Board is chaired by the Chief Executive and has partner representation from a variety of agencies including the Police, Citycare, LGA, Schools and the CCG. The Board drives delivery of the action plan and the necessary improvement required. The service is committed to working with our partners to deliver whole system approaches that will ensure we achieve the best possible outcomes for children who need help and protection and to achieving the sustainable improvement which will make a real difference for children, young people and families • To support us with our programme of improvement, the DfE have enabled to us access support from the Partners in Practice (PiP) innovation programme. As a result, a team of practitioners and leaders from Essex are working alongside our colleagues to support is in improving our system. <p>Assurances were provided to CLT, Leadership Group, Executive Panel and the Children’s and Young People Scrutiny Committee in July 2020 and to Executive Board in September 2020.</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<ul style="list-style-type: none"> • Address the systemic failures in social work practice to ensure that planning and intervention for children improve their experiences, and that new and emerging risks are identified and responded to. • Stabilise the workforce and address the significant shortfall in capacity to enable social workers and first line managers to respond effectively to children in need of help and protection 	
Ofsted	<p>Nottingham: Short inspection of Nottingham City Council Adult & Community Learning (Reported 28Mar2018)</p> <p>Overall rating and factor ratings all Good with progress in addressing weaknesses good.</p> <p>Next steps were highlighted to ensure as follows</p> <ul style="list-style-type: none"> • all learners develop an appropriate understanding of the 'Prevent' duty and the risks associated with extremism and radicalization • the very small number of school-based computers used by adult learners are subject to rigorous monitoring • managers make full use of targets to support performance monitoring and that timescales for 	<p>A post inspection action plan incorporating all the next steps highlighted with action milestones, assigned responsibilities and success criteria was developed, most actions were complete or part complete and reviewed in July 2019. A self-assessment report has been completed and from this an improvement plan has been devised to monitor progress.</p> <p>Prevent and learners understanding are now a formal part of learner induction and duties embedded within the learner handbook. All tutors access online Prevent training and this is recorded on the tutor profile proforma.</p> <p>Safeguarding on IT resources other than their own iPads is now covered in the IT twilight training sessions. Where possible all providers use CFL bank of iPads to ensure safeguarding.</p> <p>Learner profile targets and data lag had remained to be</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<p>action completion are appropriately challenging</p> <ul style="list-style-type: none"> • learners' session attendance is consistently high • managers effectively support tutors to exploit confidently the available technology so that they enhance learning during taught sessions. 	<p>completed following a change of MIS and increase in number of partners, however, MIS is now managed internally and this is a continued priority in the development plan.</p> <p>Incentives are in place to encourage attendance. The programme offer and guided learning hours were reviewed, and made slightly shorter than previous years to encourage increased attendance. Attendance rates in 2018/19 has increased by 6% above the national average.</p> <p>Monthly twilight sessions are in place to further support tutors and embed technology in classroom delivery. Sub-contractors new to delivery and the service has purchased a bank of iPads which can be loaned out.</p>
Ofsted and National Audit Office	<p>National: The Annual Report of Her Majesty's Chief Inspector of Education, Children's Services and Skills 2017/18 (Ofsted) Particular concerns were raised in respect of SEND provision and off-rolling between years 10 and 11.</p> <p>National: Support for pupils with special educational needs and disabilities in England, September 2019 (NAO).</p> <p>The report assessed how well pupils with special educational needs and disabilities were being supported. The report examined the system and its outcomes, funding, spending and financial sustainability, the quality of</p>	<p>SEND Nottingham City LA has a statutory responsibility to ensure that there is sufficient, high quality provision available locally to meet the needs of learners with SEND.</p> <ul style="list-style-type: none"> • During 2018/19, consultation on a new 48 place ASD provision was undertaken, a site and provider (OFSTED outstanding) have been secured and both revenue and capital funding have been allocated and agreed. • The refurbishment of an existing building on the site was completed and the first eight learners were admitted in April 2019. All are making good progress. • The new school building has been designed and is in the build phase. The new provision will open in September 2020 with an additional eight learners being

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<p>support and experiences of pupils and parents.</p> <p>The report's key findings included:</p> <ul style="list-style-type: none"> • The number of pupils identified as having the greatest needs had risen since 2014, increasing the demand for support. • The Department had not specified, in measurable terms, the outcomes it wanted to achieve from its support for pupils with SEND although had launched the first phase of a long-term programme of research and analysis with the aim of collecting better information in December 2018. • It was estimate that the Department provided £9.4 billion in 2018-19 specifically to support pupils with SEND. The funding mainly comprised an estimated £3.8 billion of 'schools block' funding and £5.6 billion of 'high-needs block' funding. • School funding had increased, particularly for high needs, but this had not kept pace with the rise in the number of pupils and Local authorities were increasingly overspending their budgets. • The ways in which the Department and local authorities were responding to overspending on high-needs budgets was by using dedicated schools grant reserves accumulated in previous years and most local authorities had transferred money from their schools block to their high-needs block. • In December 2018, the Department announced an extra £100 million of capital funding for SEND provision for the period 2018-19 to 2020-21. Local 	<p>admitted. This number will build up year on year.</p> <ul style="list-style-type: none"> • Work on developing a separate therapeutic provision has been paused. Changes to the Raleigh Learning Trust have provided opportunities to look at building this work into existing provision. In addition, R2I Routes to Inclusion (R2i) a toolkit has been developed by a Senior Educational Psychologist and the Behaviour Support Team Leader to support children with social, emotional and mental health (SEMH) issues. The toolkit was developed with primary SENCOs and launched with primary schools in October 2018. It aims to guide teachers and SENCOs through a systematic process to identify and support children with SEMH, starting with universal provision, various identification tools, assessment tools and evaluation tools. R2i is the process schools are asked to follow before they seek external support for a child with SEMH. • A toolkit has been rolled out in 37 primary schools to date and primary school staff meet regularly through ongoing workshops. • As part of the R2i work, a model for an Intensive Support Team (IST) has been developed to support children who have been through the R2i process but are in imminent risk of permanent exclusion from school. The purpose of the IST is for the team to work with the child, their family and the school to maintain the school place. The IST is a multi-agency team of practitioners, initially from three teams who will work collaboratively to support the placement of exceptionally challenging and vulnerable SEMH Primary aged pupils.

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<p>authorities planned to use this money to increase the number of places suitable for pupils with SEND in mainstream schools and to create additional places in state special schools.</p> <ul style="list-style-type: none"> • Ofsted has consistently rated more than 90% of state special schools as good or outstanding. Ofsted had rated 91.8% of the state special schools open in August 2018 as 'good' or 'outstanding', compared with 85.0% of mainstream schools and 78.3% of independent special schools. • The Department had limited assurance about the quality of support for pupils with SEND in mainstream schools. • Pupils with SEND, particularly those without EHC plans, are more likely to be permanently excluded from school than pupils without SEND. • Inspections indicate that many local areas are not supporting children and young people with SEND as effectively as they should be. The Department had commissioned Ofsted and the Care Quality Commission (the CQC) to inspect the effectiveness of support for pupils with SEND provided by education, health and care services in all local authority areas and at July 2019, Ofsted and the CQC had found significant areas of weakness in 47 (50.0%) of the 94 local areas inspected. <p>A number of recommendations were made within the report for the Department of Education, relevant to Local</p>	<p>Further Assurance Activity</p> <ul style="list-style-type: none"> • The primary focus of the IST is placement maintenance within the existing setting. The work will focus on capacity building, strengthening relationships and staff wellbeing. The support will enable schools to further assess need, gather additional data, consult with staff and parent/carers and create a personalised package of support; in order to strengthen the placement and reduce the risk of exclusion plus support school. • The city's secondary schools have been split in to three different waves. With differing assessed levels of support. All secondary schools will be invited to half termly workshops to share learning. • The secondary school version of the toolkit, including the processes, the interventions and the document itself to be launched in late summer 2020 and a secondary school IST to be considered. <p>Priorities for 20/21</p> <p>A Project Board has been established to oversee the project for the time the R2i team have been released and the following areas are priorities for this academic year:</p> <ul style="list-style-type: none"> • Primary schools – further embedding and delivery of core training • Secondary schools – development of secondary school version of the toolkit • Intensive Support Team • Alignment with LA Processes – EHCP, HLN, Fair Access and Exclusions, CAMHS, BET • Assessment and Intervention Domains – as part of the

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<p>Authority including:</p> <ul style="list-style-type: none"> • The Department should review the incentives in the funding arrangements and the accountability system, and make changes that encourage and support mainstream schools to be more inclusive in terms of admitting, retaining and meeting the needs of pupils with SEND, whether they have EHC plans or require other support. • The Department should identify and share good practice on how mainstream schools can effectively meet the needs of those pupils with SEND who do not have EHC plans. • The Department should set out publicly the circumstances under which it considers public money should be used to pay for independent provision for pupils with SEND. • The Department should more robustly investigate the reasons for local variations, drawing on the data available and supported by its specialist advisers and NHS England, and establish the extent to which the variations can reasonably be explained. 	<p>R2i process, a further three toolkits are being developed looking at family, learning and development and speech, language and communication. These were being developed by Education Psychologists and were due to be launched to schools on 18th March 2020.</p> <ul style="list-style-type: none"> • Commercialisation – currently R2i is free to all schools, including any associated training. <p>An additional £1,000,000 has been secured for high needs, to be distributed in 20/21, through a revised system reducing bureaucracy, increasing objectivity and increasing the funding available to mainstream schools to meet the needs of learners with SEND.</p> <p>In addition, the Major Programmes team have undertaken condition surveys on all maintained schools to inform developments and opportunities and officers come together to ensure robust funding and delivery of school environmental changes to support the needs of learners with SEND. The LA has developed a 5 year SEND strategy and progress against the identified actions are monitored through the SEND Accountability Board chaired by the Director of Education. The strategy is hitting its milestones and targets.</p> <p>A series of bite size briefings about SEND on specific themes in relation to how Nottingham city local area has implemented the SEND reforms have been developed and were due to be shared with teams in April 2020.</p> <p>Off-Rolling</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
		<p>NCC continue to proactively tackle off-rolling through:</p> <ul style="list-style-type: none"> • Continued communication with schools • Use of Fair Access Protocols to monitor movement of children at risk of exclusion including oversight of EOTAS students • Expansion of Education Welfare Service to monitor EHE requests and provide challenge • Use of protocols to manage, control and account for moves to ensure provision is appropriate including school attendance orders, QA of Alternative Provision, Health and Safety, Safeguarding and management compliance checks for AP and DFE reporting • Revision and expansion of the Inclusion Model to devolve funding to secondary schools and active pursuit of financial models to support schools joining the Inclusion Model, developing in-house provision to reverse incentive to off roll and controlling levels of PEX. Additional High Needs Funding has been used to develop and incentivise school inclusion • Development of Routes 2 Inclusion Secondary with wave 1 and 2 academies. Continued embedding across primary phase to to support identification, assessment and intervention to support pupils with SEMH needs • Development of Local Authority internal Academies Causing Concern Network • Direct challenge to schools and Multi Academy Trusts by the Local Authority where data or evidence suggests a child may have been off rolled • New SLA with local pupil referral unit academy

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
		<ul style="list-style-type: none"> • Partnership activity with Nottingham City AP Free Schools/AP Academies (Stone Soup Academy, CP Riverside School) to secure appropriate educational placements for children at risk of exclusion or being off-rolled by other means • Routine analysis of exclusion data to identify trends • Development of exclusions escalation policy to provide staged support, challenge and intervention to high excluding academies • Establishment of exclusions management and scoping project to identify at risk groups for monitoring through early help to provide sharper scrutiny of potential off rolling <p>Additional responses to the NAO report have been obtained as follows:</p> <ul style="list-style-type: none"> • Nottingham uses national best practice and learning from the LGO to inform developments and has robust place and sufficiency planning in place. • Nottingham City does not use Independent provision if local provision can meet need unless directed through the SEND tribunal. • The council is very lean compared to the East Midlands in terms of spend on Independent schools as demonstrated by Tableau data
Ofsted & others	<p>National: Growing up neglected: a multi -agency response to older children (July 2018) This multi-inspectorate report highlighted learning from six inspections of local authority areas with a focus on the neglect of older children. It called</p>	<p>Nottingham City Child Safeguarding Board undertook an in-depth audit on neglect that included a focus on older children in 2018.</p> <p>Resulting learning and actions included:</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<p>for a greater awareness</p> <ul style="list-style-type: none"> • of the neglect of older children and a focus on trauma-based approaches to tackling it. • among professionals in adult services of the risks of neglect of older children who are living with parents with complex needs. 	<ul style="list-style-type: none"> • actions to improve understanding of the factors in neglect • actions to promote better working across teams and agencies • improvements in planning and monitoring actions • a range of actions either already taken or proposed to tackle Child Criminal Exploitation together with measures to assess the impact of these actions <p>Nottingham City Safeguarding Children’s Partnership (NCSCP) undertook a thorough audit with a focus on children subject to Child Protection plans / category Neglect / over 18 months in June 2019.</p> <p>The assessments did raise significant concerns in relation to the local approach and management of children on CP plans, under the category of neglect. This somewhat reflected the most recent Ofsted Inspection findings. It is acknowledged that the Local Authority has already begun a comprehensive response to Neglect, including an improved training offer and additional scrutiny. It will also be the focus of one of the Children’s Social Care audits during 2019. This audit reiterates the essential need for this work to be undertaken. The audit also highlighted the lack of multi-agency ownership for child protection plans.</p> <p>The following practice learning points were identified</p> <ul style="list-style-type: none"> • All agencies must take responsibility for ensuring that child protection plans are progressed and should demonstrate professional curiosity and challenge. • Assessments should always include the voice of the child (direct work or observations of pre-verbal children) and

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
		<p>critical decisions about the direction of a case should be informed by evidence of the child’s lived experience.</p> <ul style="list-style-type: none"> • IROs should robustly challenge drift in the implementation of child protection plans and follow escalation procedures. • GPs should be proactively involved in child protection plans by routinely contributing information to Initial Child Protection Conferences and subsequent Reviews. • Adult services should routinely apply the concept of ‘Think Family’ when working with the parents and carers of children subject to child protection plans. <p>A number of actions had already been completed, learning points identified and practice has been improved through the following:</p> <ul style="list-style-type: none"> • Practice Improvement Day (PID) was held with social work managers to set standards and expectations. • In response to the findings of Ofsted and audits two new workforce development packages during 2019: • E learning --‘Don’t Neglect The Issue’ (click here to access Learning Zone. P.S. you don’t need a separate password for LZ now) • Face to face training —‘Managing Chronic and Persistent Neglect’ launched in Sept 2019, over 30 colleagues trained to date and further courses available in 2020. • This informed a themed audit of neglect in July 2019, using our new audit templates, supporting case manager reflection and strengthening management oversight of neglect. • The findings of audits have resulted in a presentation shared with our Performance Information Management Meeting (PIMMs), which Managers from across CIS attend.

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
		<ul style="list-style-type: none"> • Management oversight has been improved on key processes where chronic neglect can be made more visible (e.g. Public Law Outline Panels) • A growing awareness in the wider system has been led using funding to help the partnership to recognise the role and impact of neglect in children’s experiences <ul style="list-style-type: none"> - trauma informed practice for partners working on Serious Youth Violence and Exploitation, - pathways of support for children where Speech and Language development is a concern <p>The Nottingham City Safeguarding Children Partnership (NCSCP) is developing a Neglect Strategy for the partnership. This is anticipated to be in place by October 2020.</p> <p>The directorate is continuing to drive learning and improvement in this area which is needed as also noted in the recent focused visit by Ofsted.</p>
LGA - Modern Slavery Case Studies	<p>National:</p> <p>Local Government Association - Modern Slavery Case Studies, September 2019</p> <p>Estimated numbers of those in modern slavery in the UK ranges from 13,000 (Home Office) to ‘tens of thousands (National Crime Agency) and as high as 136,000 (www.globalsslaveryindex.org). The Modern Slavery Act was introduced in England and Wales in 2015 providing the legal and policy framework for responding to modern slavery.</p>	<p>The Council has a Modern Slavery statement for the period 1 April 2019 - 31 March 2020 which was published on our website in August 2020. This statement sets out Nottingham City Council's actions to understand all potential modern slavery risks related to its business and to put in place steps aimed at ensuring there is no slavery or human trafficking in its own business and its supply chains.</p> <p>The Council has a corporate responsibility to safeguard our citizens directly via interventions by our Community Protection and Social Care functions, and where citizens utilise Council property and services. The Council’s Community Protection</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<p>The Local Government Association report published in September 2019 builds on the guidance published in 2017 for councils on the role that they can play in responding to modern slavery by providing a series of council case studies which demonstrate the wide range of activity now underway within local government.</p> <p>Councils can play a number of different roles in relation to modern slavery including:</p> <ul style="list-style-type: none"> • identifying and referring potential victims • supporting victims • disrupting modern slavery • ensuring supply chains are free from modern slavery 	<p>function shares intelligence and information and participates in joint investigations with Nottinghamshire Police and other law enforcement partners regarding issues of modern slavery or human trafficking. Adult Social Care is one of a number of agencies who have a responsibility as First Responder to refer people to the National Referral Mechanism if concerns of Modern Slavery have been identified and the person has provided their consent for this support.</p> <p>Nottingham has had a team working with victims of modern slavery as part of a pilot scheme funded by the Home Office.</p> <p>Nottingham City Council is a partner in the local Modern Slavery Partnership that delivers annual awareness sessions and information and updates to front line staff and third sector organisations. A Modern Slavery training plan has been implemented to ensure that all colleagues and partners have access to general awareness training</p> <p>Community activity and events have been supported via the Greater Nottinghamshire Modern Slavery Forum Network and Nottingham Survivors Network in this reporting period (2019/20) including the observance of National Modern Slavery Day in October 2019 and delivery of an event entitled 'Survivors Speaking Out'. Planned events with the Albanian and Vietnamese communities that were scheduled for March 2020 have been postponed due to the Coronavirus pandemic</p> <p>Modern Slavery eLearning is available to staff on the Council's Learning Zone. The module is designed to raise awareness of modern slavery (including human trafficking) and to help staff recognise their role in identifying and reporting concerns.</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
		<p>The Council raised awareness of slavery and all its work in relation to modern slavery on anti-slavery day by sending an email to all colleagues.</p>
<p>ASC Peer Review</p>	<p>Nottingham Adult Social Care Peer Review, May 2019</p> <p>A peer review team visited Nottingham Adult Social Care between 22nd and 24th May 2019. This was part of the Council's regional programme of ASC sector-led improvement. The team were asked to review progress in developing strengths-based practice and community-led support. And also how the Council was working with citizens who faced risk but found it difficult to engage with services.</p> <p>Highlights from the report included:</p> <ul style="list-style-type: none"> • All staff spoken to are passionate and committed about working for NCC and improving outcomes for citizens • Clear golden thread across ASC from top down about importance of independence, empowerment and strengths based approach and language and culture is shifting; more work to do with partners and wider system but moving in right direction and progress to date is solid • Workers within teams are committed, tenacious and resilient. • Workers and front line managers are confident in positive risk taking, but cases are becoming increasingly more complex. 	<p>The report findings and recommendations were presented to CLT in July 2019. The following priority actions were agreed:</p> <ol style="list-style-type: none"> 1. Review and agree next steps with Our Practice 2. Review and agree next steps for CTS using WIT learning history via Team ASC: pathways, community networks, building the team, impact, member links 3. Adoption of national strengths-based framework and action plan for delivery 4. Set plan for team manager leadership and support 5. Work with PH on needs analysis: currently looking at long term opiate users 6. Engage with strategic group on Rough Sleeping and Homelessness to build relationships, shared understanding and to consider panels 7. Engagement plan for improving understanding of ASC 8. NCC policy about Rough Sleeping <p>Update January 2020:</p> <p>Our Practice sessions continue to be held monthly. There have been workshops facilitated by a Practice Change manager and HR colleagues on distributed leadership & supporting frontline colleagues with leading Our Practice sessions. These sessions</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<p>Recommendations were made around:</p> <ul style="list-style-type: none"> • Maintaining a strengths based approach • Work with providers • Applying SBA in panel processes • Needs analysis • Mapping of panels • Engagement with Housing and Police • ASC role and remit • Opportunity to review approach • Council policy 	<p>are a combination of peer support, peer supervision & sharing of best practice & include colleagues external to ASC, such as the health social prescribers, community connectors & other relevant organisations to share knowledge & enable consistency in terms of safeguarding adults thresholds & duties, care act eligibility & duties, a community led support approach, broadening opportunities for citizens & taking a holistic & inclusive approach to improving health & wellbeing</p> <p>There will be no additional Community Together Surgery (CTS) set up this year by Adult Social Care due to lack of resources to staff these. Instead, other organisations are being encouraged to set up and lead CTS in other parts of the City. Existing CTS closed at the start of the pandemic and it is not clear when these will re-open due to social distancing measures.</p> <p>Leadership training has been commissioned for all Managers in February/March 2020.</p>
LGA - Early Years Peer Challenge	<p>Nottingham</p> <p>Local Government Association Peer Challenge Programme October 2019.</p> <p>The Local Government Association's (LGA) Peer Challenge programme came to Nottingham from 15-18 October 2019. A team of five peers spent four days in Nottingham, focusing on speech, language and communication in the early years of a child's life (0-5). The Peer Challenge is part of the DfE's Unlocking Talent, Fulfilling Potential: a plan for improving social mobility through education programme, and ambition one is to close the word gap in the early years.</p>	<p>In response to the report, an action plan is currently being populated by the members of the 0 – 5 Strategic Systems Change Board and will be monitored by that group in 2020. As part of the Peer Challenge process, the Peer Team had been scheduled to return to Nottingham on 1st December 2020 for a two day mini challenge to check on progress, however, this is now unlikely to happen and online solutions are being explored instead.</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<p>The programme found that Nottingham City Council has a very strong and well informed political leadership and management who are championing the early years agenda for the city. There is a committed workforce across the Council, partners and the private, voluntary and independent childcare sector. There is clear evidence of integration across the city, however there are opportunities for providers and commissioners to further develop this work and the need for a city-wide speech, language and communication strategy to provide greater clarity on pathways for families, appropriate referrals to services and more timely interventions.</p> <p>It was recognised, that given the exceptionally strong political commitment there is a real opportunity for the Council and partners to be more ambitious in their planning and develop a 0 – 5 integrated Early Years strategy.</p> <p>The following were the peer team’s key recommendations to the Council:</p> <ul style="list-style-type: none"> • Develop an area wide 0 – 5 Early Years Strategy with a particular focus on speech, language and communication including a shared outcomes framework and data dashboard and a clear offer from children’s centres • Co-produce a parenting journey from a child’s conception through to school • Review the Speech and Language Therapy (SALT) offer to include group sessions (‘Chatterbox’ or ‘Home Talk’) with the aim of supporting triage, upskilling wider workforce, 	

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<p>avoiding unnecessary assessments and providing input whilst awaiting specialist assessment</p> <ul style="list-style-type: none"> • Review the use of children’s centres as venues for childminder groups, voluntary sector, peer led groups, other partners and more universal provision • Accelerate the integrated approach for the 2 ½ year checks – pilot with nurseries and CityCare the joint completion of the check • Increase the take up of 2, 3 and 4 year old funding, working with partner agencies to identify eligible children and parent champions to engage families • Review the approach to identifying and addressing needs of targeted cohorts not reaching GLD through effective data analysis • Consider developing a local authority cohort tracker for the return of summative EYFS data to evidence progress and inform intervention • Ensure that speech, language and communication needs inform Integrated Care System (ICS) long term planning to improve children’s outcomes and reduce inequalities • Creation of moderation hubs across the city • Use the documents that were provided for this peer challenge as the basis for a resource for your own workforce 	

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
Office of the Public Guardian	<p>The Office of Public Guardian (OPG) inspect and audit Local Authority Deputyship Services every 3 years. This is a detailed inspection over 3 days by 3 OPG Officers.</p> <p>OPG Inspection took place in December 2018, the Outcome was issued in January 19. The Deputyship service was compliant.</p>	<p>No further assurance required.</p> <p>The next inspection is anticipated to take place in 2021, however this can be brought forward at any time by the OPG.</p>
Nottingham City Safeguarding Adults Board	<p>A Performance Assessment Tool is completed by all agencies who are members of the Nottingham City Safeguarding Adults Board (NCSAB) on an annual basis. This informs the annual action plan.</p>	<p>In addition to confirming the work of partners in contributing towards the Board’s Annual Action Plan via the Performance Assurance Tool (PAT), Nottingham City Safeguarding Adults Board also sought and gained assurance on the following during the 19-20 financial year:</p> <ol style="list-style-type: none"> 1. That Greater Nottingham CCG’s LeDeR review programme remained on schedule 2. That Nottingham City Adult Social Care (ASC) and the CCG remained assured of their monitoring arrangements in respect of local care home and home care providers 3. That Nottingham ICS and ICP had considered adult safeguarding when formulating their work plans 4. In light of the ‘Whorlton Hall’ scandal, that ‘out of area’ placements commissioned by the CCG were safe and well monitored 5. That partners were aware of, and where applicable, had updated their procedures following publication of the new guidance issued by the national Restraint Reduction Network (RRN) 6. That partners were aware of, and where applicable, had updated their procedures following publication of the

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
		<p>new safeguarding procedure issued by the Office of the Public Guardian (OPG)</p> <ol style="list-style-type: none"> 7. That the CCG were satisfied their DNACPR guidance in respect of their duty to consult an IMCA remained accurate 8. That POhWER advocacy services were undertaking their responsibilities as commissioned 9. Annual assurance reports were also received from the 'Prevent' Partnership Steering Group; Suicide Prevention Partnership; FGM Steering group, Nottingham Council's Homelessness Strategy Manager and the CDP's Domestic Violence & Sexual Abuse (DVSA) Strategic Lead, all of which provided assurance regarding these areas of relevance to adult safeguarding
NSPCC	<p>Harmful Sexual Behaviour Audit</p> <p>The Nottingham City Safeguarding Children Partnership commissioned an independent audit from the NSPCC into Harmful Sexual Behaviour across the partnership, following a recommendation from the independent inquiry into child sexual abuse (IICSA). This audit included health, education, social care, police, youth justice and the voluntary sector.</p> <p>The following highlights were noted:</p> <ul style="list-style-type: none"> • The quality of responses were good, agencies provided clear, honest feedback. • The returns reflected well on the strengths within the local system and highlighted a few areas for improvement. 	<p>A HSB multi-agency draft action plan is being developed which will be quality assured during consultation with partner agencies, children and families to ensure the action plan is fit for purpose. The NCSCP will monitor the HSB Action Plan and ensure that the plan is implemented.</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<ul style="list-style-type: none"> • Generally there was a good shared understanding of HSB in Nottingham. • There was consistent evidence of robust systems, panels and practice in place. Nottingham’s responses indicated that the workforce has confidence in local systems, especially the ASHA Panel, and that knowledge of thresholds, and how to access support was well understood across most key sectors. Awareness could be better among some schools & early years providers. 	

Levels of Assurance Definitions & Classification of Internal Audit Recommendations

Appendix F

Levels of Assurance

We use four categories to classify Internal Audit assurance over the processes examined, these are defined as follows:

Significant Assurance There is a generally sound system of control designed to meet the organisation's objectives and that controls are being applied consistently in the areas reviewed.

Moderate Assurance Generally a sound system of internal control designed to achieve the organisation's objectives with some exceptions and / or evidence of non-compliance with some controls that may put some of the system objectives at risk

Limited Assurance Weaknesses identified in the procedures and controls in key areas and / or non-compliance with key procedures and controls which constitutes a risk to the achievement of the organisation's objectives

No Assurance Poor system of internal control or consistent non-compliance with key controls which could result in failure to achieve the organisation's objectives

Where appropriate we may also comment on the level of assurance we can give that objectives will be met. This may apply when there are risks either partially or wholly outside of the control of management.

Categorisation of Recommendations

High Priority A weakness where there is substantial risk of loss, fraud, impropriety, poor VFM or failure to achieve organisational objectives. Such risks could lead to an adverse impact on the business

Medium Priority 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 VFM. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.

Low Priority Weaknesses 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.