

NOTTINGHAM CITY COUNCIL

INTERNAL AUDIT ANNUAL REPORT AND OPINION

2020/21

Date: 30 July 2021

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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 re-inforce 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. The 2020/21 audit plan contained 2363 days and I am satisfied that there were adequate staffing resources available to me to deliver the plan. The 2021/22 Plan in Appendix C has been matched to an assumed 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, the Improvement Board, the 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 inappropriate scope or resource limitations.

Nothing has occurred during the 2020/21 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.

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. 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
- Internal Audit Performance 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
- Provided the terms of reference for the committee's four working groups

2. Head of Internal Audit Opinion 2020/21

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 2020/21, 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 2020/21, 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

and Grant Thornton (the Council's external auditor). 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:
- Medium Term Financial Strategy
 - Asset Management
 - Companies
 - Capital Programme & Debt Management
 - Governance & Decision Making, including Constitution
 - Ofsted Focussed Visit & Improvement Programme

Opinion 2020/21

13. No systems of control can provide absolute assurance, nor can IA give that assurance. Internal Audit experience, covering financial systems, risk and governance, and the concerns raised by Max Caller in the Non-Statutory Review, and by the External Auditor in his Report in the Public Interest 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 in the AGS lead to an overall limited level of assurance.
14. It is clear from the recent years' budget outturns and the early 2021-22 projected overspend that the financial control framework remains under stress. The Council has set out a Recovery & Improvement Plan. Internal Audit will prioritise activity in 2021-22 to align with the Recovery & Improvement Plan and continue to identify issues within financial control to assist management in maintaining the effectiveness of the framework.
15. In respect of the impact of the virus on the Council and its systems, to date no internal control failings have been brought to the attention of the Head of Internal Audit. Within the work we carry out in 2021-22 we will

remain alert to the potential for additional risks arising from the measures taken as a result of the emergency and any impact on the framework of governance, risk management and control. As part of this work we will assess fraud risk within grant / support payments.

Impact of Covid-19 on Internal Audit work

16. The Council's response to the pandemic has impacted on the available Internal Audit resources since March/April 2020 and in particular, resources have been diverted 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 has been significant.

3. Basis of Assurance for the Annual Audit Opinion

2020/21 Audit Plan

17. The Audit Plan and monitoring reports were presented to the Audit 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 2020/21, issued by 31 March 2021, is provided in Appendix D. There are a number of audit reports relating to the 2020/21 Audit Plan that were finalised and issued after 31st March 2021 that have been drawn upon for the purpose of compiling the Head of Internal Audit's opinion; these will be provided to the committee as part of the next update.

18. The final outturn for 2020/21 is summarised in the table below that shows the outturn against planned resources.

Internal Audit Plan against Actual 2020/21

Audit Title	Planned Days	Actual Days
Governance	240	190
Organisation	205	234
Key Financial Systems	150	185
Procurement & Projects Programme Management	150	138
Big Ticket / Risk Based Service Reviews	90	17
Compliance / Challenge	80	58
ICT and Information Governance	122	87
Counter Fraud	400	472
Corporate Fraud Strategy	45	10
Companies / Other Bodies	251	345
Consultancy, Advice and Support	490	623
Development , Redesign & Quality	140	94
Total Days	2363	2453

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

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

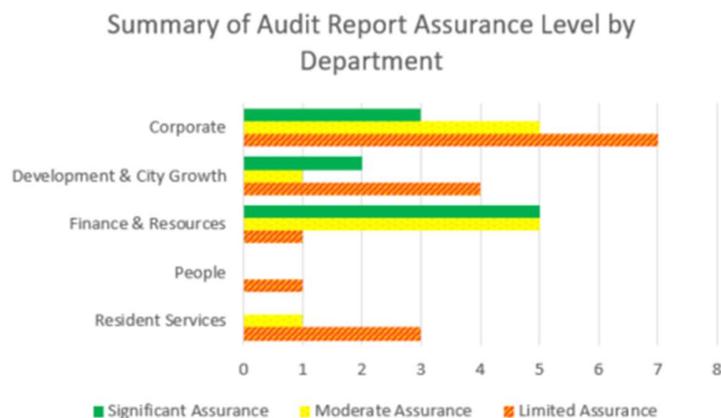
20. Internal Audit reports are normally comprised of a number of findings and recommendations. Dependent on the nature of these findings, the recommendations are classified as High, Medium or Low; a definition of these categories can be found in Appendix F. In addition, an opinion or level of assurance, 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.

21. The analysis below identifies the level of assurance for those reports issued to Corporate Directors during the 2020/21 audit year.

22. 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.

23. We have also responded to ad hoc requests throughout the year and provided feedback and guidance as necessary.

Analysis of assurance levels by department



24. Our work on key systems during 2020/21 has shown a slight decrease in the overall level of assurance compared to the previous year when the majority of key systems were assessed at significant assurance. However, it is still reassuring to note that the decrease is shown as a number of Moderate levels of assurance and as noted last year, there remains only one key system classified as Limited, which still gives the HOIA confidence that those systems underpinning the most financially significant activities are generally effective.

25. We have considered the results of our completed work over the year and have used the information to inform the 2021/22 Internal Audit Plan (see Appendix C).

Key Financial & Other Key Systems

Key Financial Systems

26. The opinion of the HOIA 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. As mentioned above, 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. As indicated earlier, there is only one key system that is categorised as limited assurance which we will continue to monitor throughout the year.

27. The necessity to quickly make grant payments to businesses, in accordance with government instructions, did put a strain on colleagues across directorates and we have been concerned that the speed at which payments needed to be made could result in fraud or error. We have undertaken some post payment reviews of 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

28. We have continued to identify procurement and contract management issues across our audits. These are similar in nature to those identified in our 2019/20 audits. We will be revisiting these areas of activity during 2021/22 to assess corporate progress.

Fit for the Future (Fusion)

29. 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. We have fed back our comments to the project team and other colleagues and also consulted with colleagues within Leicestershire County Council (LCC) with regard to expected controls. We have undertaken some limited testing of the processing of financial transaction via Fusion to allow us to complete some of the EMSS Audits (key systems) but intend to spend more time over the forthcoming year on documenting and testing the new processes, including HR and Payroll when this becomes live.

Risk Management

30. Our review during 2019/20 showed a positive direction of travel with all outstanding high rated recommendations being implemented and our latest report, which is about to be issued, indicates a similar direction of travel.

Information Governance / ICT

31. 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.

32. We have reviewed the Information, Communication and Technology (ICT) Governance arrangements in line with recommended practice and taken into account all of the IT related audits that have been undertaken, not just those which relate to the Council's IT Service. The assessment is based on the Audits and reports issued within the financial year and where available reference has been made to other records, such as minutes from the Information Compliance Board, IT Governance Boards and Fit for the Future Programme Steering Group minutes. Based on the work that has been undertaken we are able to provide a limited assurance that the ICT Governance Framework is operating effectively. The basis for this opinion is because there are gaps within the Council's ICT controls and governance framework that may lead to Council's IT assets and resources not being effectively managed and controlled

33. 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

34. Our review 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

35. In accordance with our annual plan, we have undertaken reviews across all directorates and the following provides a brief insight into the results highlighted within some of these reviews.
36. During the period we have undertaken two follow up audits, which focused on previous recommendations made in respect of Selective Landlord Licensing. The latest follow up report showed a positive direction of travel but still indicated improvements required in terms of monitoring performance.
37. We have reviewed the preparations for the governance and administration arrangements with respect to the Transforming Cities Fund. This review produced a Significant Level of Assurance. We plan to review the operation of the Tranche 2 scheme, which has a total value of £186m, during 2021/22.
38. We have reviewed the arrangements for maintaining corporate property, including procurement of contractors, Service Asset Management Plans and Forward Maintenance Plan and condition surveys which produced good results with a Significant level of assurance
39. We followed-up our previous recommendations in respect of Nottingham Schools Trust and there have been improvements but there remains some scope for further improving the arrangements in place.
40. Our follow ups of Traffic Capital Projects and Public Transport continued to identify significant issues to address

Grants

41. During 2020/21 a number of grant certifications were subject to routine work by Internal Audit including Better Care Fund - DFG 2019-20, LA Bus Subsidy Grant Claim 2019-20, NPIF Grants Audit 2019-20, Claim 2019-20 and Local Transport Capital Grant 2019-20. The value of these grant claims was £10.5m. There are no significant issues to report.

£10.5m of grant certifications.

Corporate Reviews

42. We completed a number of reviews on behalf of the Chief Executive, the Section 151 Officer, the audit committee, portfolio holder and corporate directors to support them in their roles.

Counter Fraud

43. 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 in 2016, the team has identified income in excess of £4.2m and savings exceeding £1.7m.

Since its inception, CCFT has identified income in excess of £4.2m and savings exceeding £1.7m.

44. Despite a reduced resource, CCFT still managed to achieve £333k of cashable income and £92k of estimated savings. The cashable income achieved via a project to review small business rate relief (£246k), reactive referrals from NNDR staff (£53k) and reactive referrals from Council Tax staff (£30k). The savings related to a housing tenancy issue and several right to buy applications that were stopped.

45. The National Fraud Initiative data matching exercise that is coordinated by the team occurred late in the financial year and is ongoing. The main task within this is the checking of SPD/electoral roll matches suggesting that a single person discount may not be valid. At the time of writing this exercise is underway.

46. The team has responded to referrals from around the Council and provided support for managers.

47. 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.

48. 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.

49. From January 2021, the Internal Audit and Risk team commenced supporting four sub-groups of the Audit Committee, which now meet every 3 months. These are Risk and Assurance, Fraud, Capital and Companies. Feedback from each subgroup is reported regularly.

Data Analytics

50. We aim to utilise data analytics as a part of our planning process, to allow us to understand the total population within each data area, 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, Payroll, Accounts Receivable and plan to further expand our use of data analytics going forward.

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

Follow-Up of Recommendations

51. The Committee sees summaries of all reports issued and the associated recommendations. 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 the 2020-21 year has identified a positive response from client departments.

External and Other Assurance Providers

52. We have reviewed information from external providers of assurance during 2020/20 and identified further requirements in order to be able to assess the assurance concerns identified. These are found within Appendix E.

53. As a result of the external reviews by Max Caller and the external auditor, which led to the non-statutory review report and the report in the public interest, the effectiveness of the Council's governance framework, the arrangements are considered to need improvement, particularly in respect of arrangements for companies and financial decision making. CIPFA is supporting a review of all group companies and a Recovery and Improvement Plan is in place to improve the activities identified in the reports.

54. Corporate Directors and statutory officers have provided an assurance statement supporting the AGS for 2020/21. These statements have been supplemented by assurance gathered from key colleagues responsible for Internal Audit, Risk, Human Resources, and other 2nd line functions and group companies, 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.

Changes to Internal Audit Plan

55. There have been no major changes to the 2020/21 Audit Plan since it was previously approved by the committee.

4. Quality Assurance & Improvement Plan

Purpose

56. 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.

57. The HOIA 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 late 2021.

Local performance Indicators

58. 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%	97%	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	7 days	Above Target
4.	Number of key / high risk systems reviewed	12	12	Achieved

TABLE 2: PERFORMANCE OUTTURN				
Indicator		Target	Actual Year	Comments
5.	% of colleagues receiving at least three days training per year	100%	47%	Below Target because of covid impact.
6.	% of customer feedback indicating good or excellent service	85%	92%	Above Target

Public Sector Internal Audit Standards (PSIAS)

59. 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.
60. 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 been working on the requirements of the Improvement Plan and to date we have no areas of non-conformance with the standards.
61. 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

62. 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.

5. Internal Audit Plan 2021-22

63. The number of days allocated in the plan for 2021/22 to provide the Head of Internal Audit with the necessary evidence for the opinion on the control environment is 2533, which includes the resources required to provide internal audit services to external clients. A summary of the IA Plan for 2021/22 is provided in Appendix C of this report.

64. As part of our approach to the 2021/22 audit plan, we will aim to concentrate our resources on those areas which are of greater concern to the Council's Section 151 Officer; reviewing the high level risks identified by the Council, assessing compliance with the Council's financial processes, supporting the Council's Improvement Plan, supporting the Council's development of its assurance framework, supporting the Council's group companies and generally looking for the basics to be in place within existing council services and encouraging more effective governance / assurance reporting.

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

66. 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).

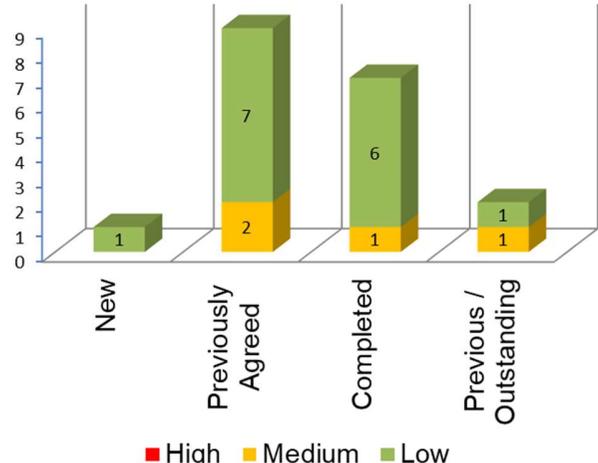
Final Audit Reports issued 1st January to 31st March 2021 (Quarter 4)

Appendix A

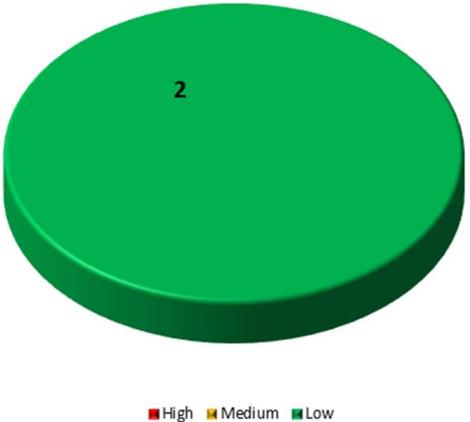
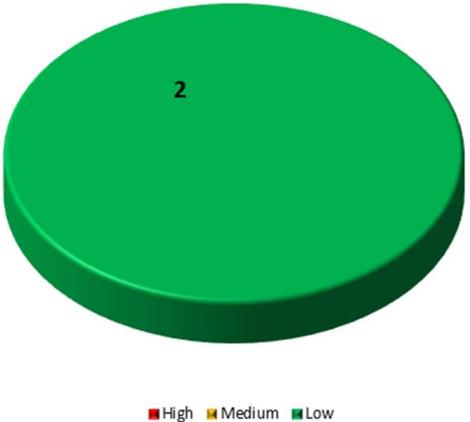
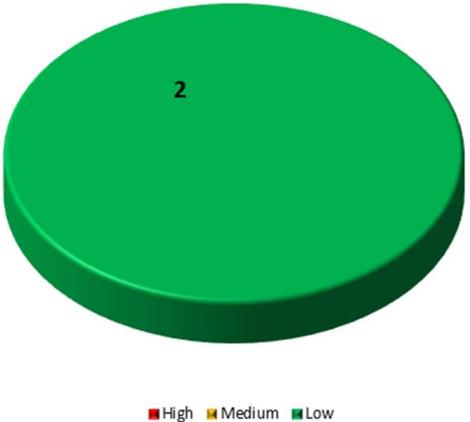
Department	Division	Activity	Level of Assurance	High	Medium	Low	
Finance & Resources	HR & Customer (Formerly Organisational Transformation)	Covid - Job Retention Scheme (Furlough)	Significant Assurance	0	0	2	
	HR & Customer (Formerly Organisational Transformation) Total			0	0	2	
	Information Technology	IT Change Management	Significant Assurance	0	1	8	
	Information Technology Total			0	1	8	
	Strategic Finance	NCC Accounts Payable 2020-21		Significant Assurance	0	0	0
		NCC Accounts Receivable 2020-21		Significant Assurance	0	1	1
		Better Care Fund - DFG 2019-20	Grant		0	0	0
		Budget Monitoring 2020-21		Moderate Assurance	0	2	0
		Bank Reconciliation 2020-21		Significant Assurance	0	0	0
		Main Accounting 2020-21		Significant Assurance	0	0	0

	Strategic Finance Total			0	3	1
Finance & Resources Total				0	4	11
Growth & City Development	Housing Strategy & Partnerships	Housing Rents 2020-21	Moderate Assurance	1	4	0
	Housing Strategy & Partnerships Total			1	4	0
	Traffic & Transport	Public Transport follow up	Limited Assurance	0	0	0
	Traffic & Transport Total			0	0	0
Growth & City Development Total				1	4	0
Resident Services	Commercial Infrastructure & Energy Services	NCC Carbon Neutral Commitment	Limited Assurance	6	14	0
	Commercial Infrastructure & Energy Services Total			6	14	0
	Community Protection	Environmental Health & Safer Housing - Selective Landlord Licensing Follow-up 2020-21	Moderate Assurance	4	5	1
	Community Protection Total			4	5	1
	Neighbourhood Services	Parks, Open Spaces Contracting	Limited Assurance	0	6	3
	Neighbourhood Services Total			0	6	3
Resident Services Total						
People		Nottingham Schools Trust Follow Up	Limited Assurance	0	0	0
Total Recommendations				11	25	4

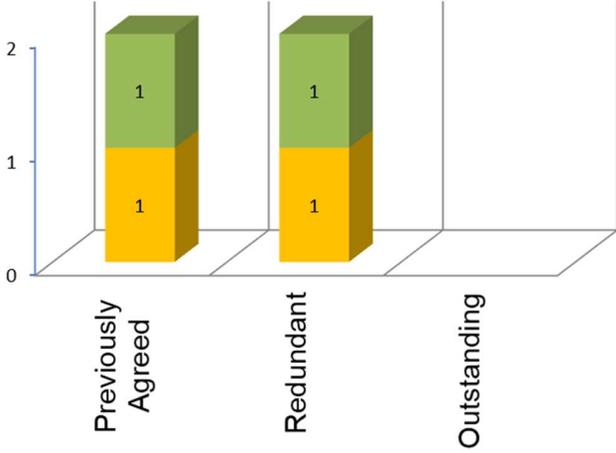
IT Change Management

<p>Department: Strategy & Resources</p> <p>Previous review: IT Change Management – June 2017</p>	<p>Overall Opinion: Significant Assurance </p>	<p>Direction of Travel: </p> <p>The level of control over the change process is being maintained and therefore no cause for concern.</p>																				
<p><u>Scope and Approach:</u> This review considered the processes and controls with the IT Change Management process to ensure that changes are appropriately reviewed and approved.</p>																						
<p>High Priority Recommendations</p> <p>There are no high priority recommendations.</p> <div data-bbox="1272 778 1982 1343" 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;"> <caption>Data for 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>0</td> <td>1</td> </tr> <tr> <td>Previously Agreed</td> <td>0</td> <td>2</td> <td>7</td> </tr> <tr> <td>Completed</td> <td>0</td> <td>1</td> <td>6</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	1	Previously Agreed	0	2	7	Completed	0	1	6	Previous / Outstanding	0	1	1
Category	High	Medium	Low																			
New	0	0	1																			
Previously Agreed	0	2	7																			
Completed	0	1	6																			
Previous / Outstanding	0	1	1																			

Coronavirus Job Retention Scheme

<p>Department: HR & Transformation</p>	<p>Overall Opinion: Significant Assurance </p>	<p>Direction of Travel: No Previous Review</p>		
<p><u>Scope and Approach:</u> This review considered the following:</p> <ul style="list-style-type: none"> ❖ The decision making process for which employees are furloughed ❖ The accuracy of the data underpinning the claim ❖ The accuracy of the calculations made resulting in the claim ❖ Assurances obtained throughout the process 				
<table border="1" style="width: 100%;"> <tr> <td data-bbox="280 632 1283 1259"> <p>High Priority Recommendations</p> <p>No high priority recommendations</p> </td> <td data-bbox="1283 632 1989 1259"> <p style="text-align: center;"><u>Summary of the recommendations by priority</u></p>  <p style="text-align: center;">2</p> <p style="text-align: center;">■ High ■ Medium ■ Low</p> </td> </tr> </table>			<p>High Priority Recommendations</p> <p>No high priority recommendations</p>	<p style="text-align: center;"><u>Summary of the recommendations by priority</u></p>  <p style="text-align: center;">2</p> <p style="text-align: center;">■ High ■ Medium ■ Low</p>
<p>High Priority Recommendations</p> <p>No high priority recommendations</p>	<p style="text-align: center;"><u>Summary of the recommendations by priority</u></p>  <p style="text-align: center;">2</p> <p style="text-align: center;">■ High ■ Medium ■ Low</p>			

Accounts Receivable 2020-21

<p>Department: Strategy & Resources</p>	<p>Overall Opinion: Significant Assurance </p>	<p>Direction of Travel: No Change </p>																
<p>Previous review: Accounts Receivable 2019-20 Accounts Receivable 2018-19 Accounts Receivable 2017-18</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><i>No recommendations outstanding</i></p> <div data-bbox="1216 719 1966 1315" 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>Previously Agreed</td> <td>1</td> <td>0</td> <td>1</td> </tr> <tr> <td>Redundant</td> <td>1</td> <td>0</td> <td>1</td> </tr> <tr> <td>Outstanding</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> </div>			Category	High	Medium	Low	Previously Agreed	1	0	1	Redundant	1	0	1	Outstanding	0	0	0
Category	High	Medium	Low															
Previously Agreed	1	0	1															
Redundant	1	0	1															
Outstanding	0	0	0															

NCC Accounts Payable 2020-21

<p>Department: Resources</p> <p>Previous review: Annual</p>	<p>Overall Opinion:</p> <p>Significant Assurance </p>	<p>Direction of Travel: No change</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>		

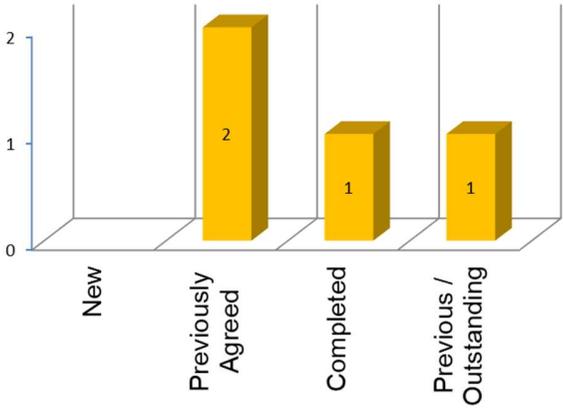
Bank Reconciliation 2020/21

<p>Department: Strategy & Resources, Finance</p>	<p>Overall Opinion:  Significant Assurance</p>	<p>Direction of Travel: </p>
<p>Previous review: Bank Reconciliation, 10 February 2020</p>	<p><u>Scope and Approach:</u></p> <ul style="list-style-type: none"> • The reconciliation of the General Bank Account, Oracle BACS, Oracle Cheques, NCC GDBC and CIVICA Paying in Slip Control • Management and review of automated income management system (CIVICA) 	
<p>High Priority Recommendations</p> <p>No recommendations are outstanding.</p>		

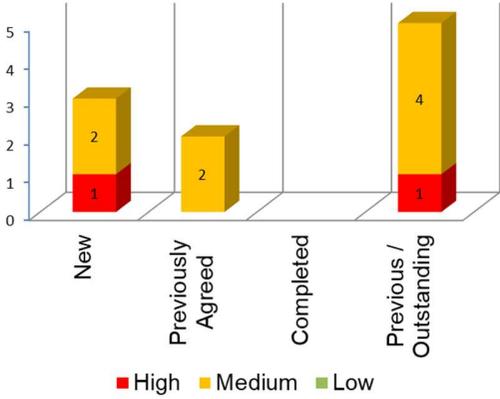
Main Accounting 2020/21

<p>Department: Finance, Strategy & Resources</p>	<p>Overall Opinion:  Significant Assurance</p>	<p>Direction of Travel: </p>
<p>Previous review: 10th February 2020</p>	<p><u>Scope and Approach:</u></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 in a timely way • The processes operated for journal input. 	
<p>High Priority Recommendations</p> <p>No recommendations have been made.</p>		

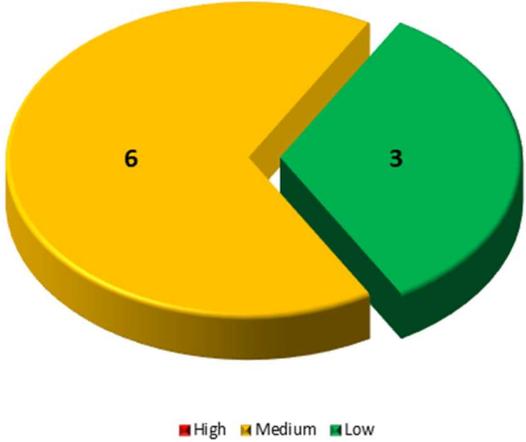
Budget Monitoring 2020-21

<p>Department: Strategy & Resources, Finance</p> <p>Previous review: Budgetary Control 2019/20, 22 November 2019</p>	<p>Overall Opinion: Moderate Assurance </p>	<p>Direction of Travel: </p>																				
<p><u>Scope and Approach:</u></p> <ul style="list-style-type: none"> • Budget approval from Full Council • Loading of the approved budget onto Oracle • Budget monitoring process • Sample testing of virements for compliance with Financial Regulations • Follow up of previous recommendations 																						
<p>High Priority Recommendations</p> <p>There are no high priority recommendations.</p> <div data-bbox="1330 724 2004 1259" 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>0</td> <td>2</td> <td>0</td> </tr> <tr> <td>Completed</td> <td>0</td> <td>1</td> <td>0</td> </tr> <tr> <td>Previous / Outstanding</td> <td>0</td> <td>1</td> <td>0</td> </tr> </tbody> </table> </div>			Category	High	Medium	Low	New	0	0	0	Previously Agreed	0	2	0	Completed	0	1	0	Previous / Outstanding	0	1	0
Category	High	Medium	Low																			
New	0	0	0																			
Previously Agreed	0	2	0																			
Completed	0	1	0																			
Previous / Outstanding	0	1	0																			

Housing Rents 2020/21

<p>Department: Development and Growth</p>	<p>Overall Opinion: Moderate Assurance </p>	<p>Direction of Travel: Deteriorating </p>																				
<p>Previous review - Housing Rents 2019/20</p>	<p><u>Scope and Approach:</u> This review considered the following aspects of the rents system:</p> <ul style="list-style-type: none"> • Annual rents are approved as part of the financial planning process • Current rents and policies support future spending forecast • 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 • There is adequate performance management of void properties • Appropriate access controls to the Northgate Housing System • Follow Up on previously raised recommendations 																					
<p>High Priority Recommendations</p> <p>2020-21 R3 Alternative arrangements should be available to maintain reconciliations where a colleague is absent.</p> <p>A process for assurance to be provided to the system owner of status and last date reconciled for key reconciliations should be introduced.</p> <p>This should ensure that reconciliations are carried out in a timely way and that the system is operating effectively and as intended.</p> <div data-bbox="1348 927 1946 1393" style="float: right; border: 1px solid black; padding: 5px;"> <p>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>1</td> <td>2</td> <td>0</td> </tr> <tr> <td>Previously Agreed</td> <td>0</td> <td>2</td> <td>0</td> </tr> <tr> <td>Completed</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Previous / Outstanding</td> <td>1</td> <td>4</td> <td>0</td> </tr> </tbody> </table> </div>			Category	High	Medium	Low	New	1	2	0	Previously Agreed	0	2	0	Completed	0	0	0	Previous / Outstanding	1	4	0
Category	High	Medium	Low																			
New	1	2	0																			
Previously Agreed	0	2	0																			
Completed	0	0	0																			
Previous / Outstanding	1	4	0																			

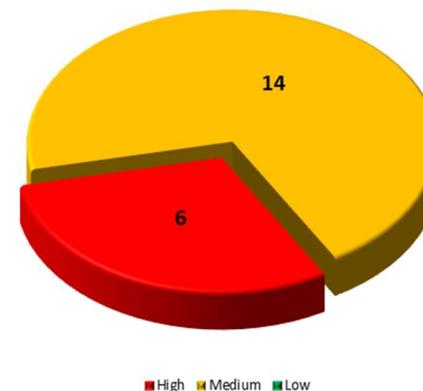
Parks & Open Spaces Contracts

<p>Department: Commercial & Operations</p> <p>Previous review: N/A</p>	<p>Overall Opinion: Moderate Assurance </p>	<p>Direction of Travel: NA</p>								
<p><u>Scope and Approach:</u> This review considered the following:-</p> <ul style="list-style-type: none"> • Business objectives / commercial strategy. • Profitability and contract monitoring • Legislative requirements. • Risk management and assurance. 										
<p>High Recommendations There are no high recommendations.</p> <div data-bbox="1249 647 1986 1251" style="border: 1px solid black; padding: 10px;"> <p style="text-align: center;"><u>Summary of the recommendations by priority</u></p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Priority</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>High</td> <td>0</td> </tr> <tr> <td>Medium</td> <td>6</td> </tr> <tr> <td>Low</td> <td>3</td> </tr> </tbody> </table> </div>			Priority	Count	High	0	Medium	6	Low	3
Priority	Count									
High	0									
Medium	6									
Low	3									

Carbon Neutral Plan 2020-21

<p>Department: Commercial & Operations</p>	<p>Overall Opinion:  Limited Assurance</p>	<p>Direction of Travel: N/A</p>
<p>Previous review: This is the first review of this area</p>	<p><u>Scope and Approach:</u></p> <p>The scope of the audit will involve the review of the following:-</p> <ul style="list-style-type: none"> ❖ Carbon Neutral plan including <ul style="list-style-type: none"> ○ Associated risk register(s) ○ Alignment with Council Plan ○ Alignment with best practice ○ Assurances ○ Procedures, governance and resources 	
<p>High Priority Recommendations</p>		
<p>R1 The Consultation on the Draft Carbon Neutral Action Plan should be reported on the Engage Hub of the NCC website.</p> <p>R2 The Carbon Neutral Action Plan 2020-28 should include milestones and measurable targets against which progress can be assessed.</p> <p>R4 It is vital that all decisions taken by the City Council are assessment for their impact on achieving Carbon Neutral Status as a matter of first importance.</p> <p>R5 The mandatory Licensing schemes for HMO's should be amended to reflect the Carbon Neutral Plan and the UK Government aim of properties having a minimum 'C' rating by 2030, subject to legal considerations.</p> <p>R9 The Council should develop indicative programmes to upgrade HRA and private sector housing in Nottingham to the desired energy efficiency standards.</p>		

Summary of the recommendations by priority

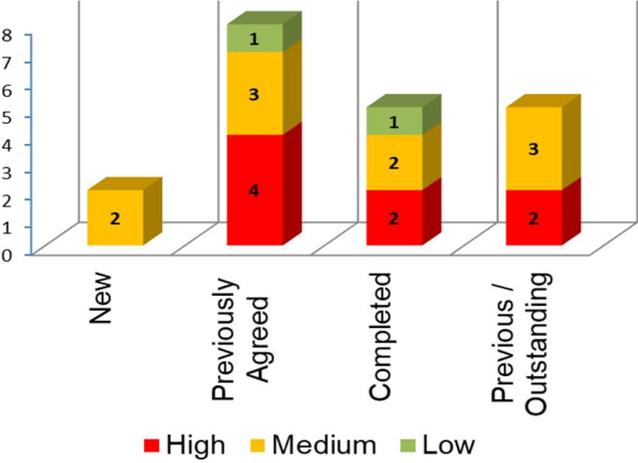


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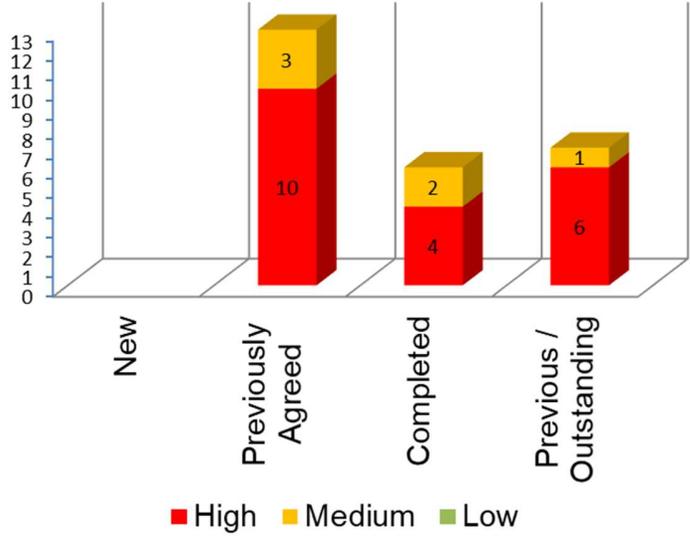
R10 Determine future arrangements for heat and energy supply to the customers of Enviroenergy and if this is to include continuing the existing supply of heat and energy by Enviroenergy ensure the following:

- Restructure of NCC relationship with EnviroEnergy to ensure that it is a going concern and able to deliver the heat and electricity to the District energy and heat networks beyond the immediate future.
- Put in place an agreement to fund and secure ongoing short to medium term supply from heat station.
- Renewal of the District Heating Scheme Agreement and development of the 3rd Line for the medium to long term.

Selective Licensing Scheme follow-up 2020-21

<p>Organisation: Directorate: Community Protection</p> <p>Previous reviews: February 2019, May 2020</p>	<p>Overall Opinion: Moderate Assurance </p>	<p>Direction of Travel: Improving </p>																				
<p><u>Scope and Approach:</u> A follow-up review incorporating</p> <ul style="list-style-type: none"> • Business case/business plan/action plan and surrounding documentation (including risk register & Equalities Impact Assessment) and any reviews including PAG assessment • Monitoring against the business plan including any identified bottlenecks or issues • Policies, procedures and processes • Roles, responsibilities and competencies to ensure are adequate • Management information / Assurance • Budgetary control 																						
<p>High Priority Recommendations</p> <p>2018-19 R2 The performance and assurance framework should be defined and documented to include the factors outlined in R1, and should be regularly monitored and reported accordingly. Evidence of this should be maintained. Actions arising from monitoring should be allocated to owners, with target date, and progress tracked</p> <p>2018-19 R4 Operational performance specifications should be set and monitored, for</p> <ul style="list-style-type: none"> • Processes for monitoring and progressing enforcement • Workload and activity targets for <ul style="list-style-type: none"> ○ Enforcement ○ Inspection <p>(Additional to R4 in 20-21) Focus should be applied to inspection targets and outcomes, and proactive enforcement to achieve inspection rate throughout the scheme.</p> <div data-bbox="1227 794 2004 1348" style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">Summary of recommendations by priority</p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Data for 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>2</td> <td>0</td> </tr> <tr> <td>Previously Agreed</td> <td>4</td> <td>3</td> <td>1</td> </tr> <tr> <td>Completed</td> <td>2</td> <td>2</td> <td>1</td> </tr> <tr> <td>Previous / Outstanding</td> <td>2</td> <td>3</td> <td>0</td> </tr> </tbody> </table> </div>			Category	High	Medium	Low	New	0	2	0	Previously Agreed	4	3	1	Completed	2	2	1	Previous / Outstanding	2	3	0
Category	High	Medium	Low																			
New	0	2	0																			
Previously Agreed	4	3	1																			
Completed	2	2	1																			
Previous / Outstanding	2	3	0																			

Public Transport 2018/19 Follow Up

<p>Directorate: Development & Growth</p> <p>Previous reviews: Public Transport 2018/19, 28 September 2018</p>	<p>Overall Opinion: Limited Assurance</p>		<p>Direction of Travel: Improving</p> 																				
		<p><u>Scope and Approach:</u> Follow up of the recommendations in the 2018/19 audit report.</p>																					
<p>High Priority Recommendations:</p> <p>Tendered services:</p> <p>2018/19 R2 Link services should be reviewed and a timetable created with Procurement to ensure tendering exercises take place for all routes.</p> <p>Concessionary Card Scheme:</p> <p>2018/19 R5 The team should work to improve independent reporting and routinely use this to evaluate and monitor operator information received.</p> <p>Robin Hood Scheme:</p> <p>2018/19 R8 The team should work with operators to finalise the agreement as soon as possible.</p> <p>2018/19 R10 Written instructions for key tasks should be created.</p> <p>2018/19 R11 Additional staff should be trained to provide cover, support and review of key tasks.</p> <p>2018/19 R13 An NCC risk register should be created for the scheme and reviewed and reported on a regular basis to senior management.</p>	<p>Summary of recommendations by priority</p>  <table border="1"> <caption>Data for 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>0</td> <td>0</td> </tr> <tr> <td>Previously Agreed</td> <td>10</td> <td>3</td> <td>0</td> </tr> <tr> <td>Completed</td> <td>4</td> <td>2</td> <td>0</td> </tr> <tr> <td>Previous / Outstanding</td> <td>6</td> <td>1</td> <td>0</td> </tr> </tbody> </table>			Category	High	Medium	Low	New	0	0	0	Previously Agreed	10	3	0	Completed	4	2	0	Previous / Outstanding	6	1	0
Category	High	Medium	Low																				
New	0	0	0																				
Previously Agreed	10	3	0																				
Completed	4	2	0																				
Previous / Outstanding	6	1	0																				

Internal Audit Plan 2021-22

Appendix C

Audit Category	Planned Days
Governance	445
Organisation	175
Key Financial Systems	185
Procurement & Projects Programme Management	105
Big Ticket / Risk Based Service Reviews	95
Compliance / Challenge	140
ICT and Information Governance	219
Counter Fraud	400
Corporate Fraud Strategy	95
Companies / Other Bodies	204
Consultancy, Advice, Support and Follow Up	290
Development , Redesign & Quality	180
Total Days	2533

Final Audit Reports issued during 2020-21 (1/04/20 to 31/03/21)**Appendix D**

Department	Activity	Level of Assurance
Finance & Resources	Covid - Job Retention Scheme (Furlough)	Significant Assurance
Finance & Resources	IT - Service Desk	Significant Assurance
Finance & Resources	IT Change Management	Significant Assurance
Finance & Resources	NCC Accounts Payable 2020-21	Significant Assurance
Finance & Resources	NCC Accounts Receivable 2020-21	Significant Assurance
Finance & Resources	Bank Reconciliation 2020-21	Significant Assurance
Finance & Resources	Main Accounting 2020-21	Significant Assurance
Finance & Resources	NCC Payroll and HR 2019-20	Significant Assurance
Finance & Resources	Council Tax 2019-20	Significant Assurance
Growth & City Development	Corporate Property Maintenance	Significant Assurance
Growth & City Development	Transforming Cities Fund	Significant Assurance
Finance & Resources	Disciplinary Process	Moderate Assurance
Finance & Resources	IT Audit - Cloud based applications - Corporate Issues	Moderate Assurance
Finance & Resources	Budget Monitoring 2020-21	Moderate Assurance
Finance & Resources	Capital Programme	Moderate Assurance
Finance & Resources	NCC Performance Management 2019-20	Moderate Assurance
Growth & City Development	Housing Rents 2020-21	Moderate Assurance

Department	Activity	Level of Assurance
Resident Services	Environmental Health & Safer Housing - Selective Landlord Licensing Follow-up 2020-21	Moderate Assurance
Finance & Resources	NNDR 2019-20	Limited Assurance
Finance & Resources	Counter Fraud - Proactive - Gifts, Hospitality & Declarations	Limited Assurance
Finance & Resources	Sickness Absence	Limited Assurance
Finance & Resources	ECINS	Limited Assurance
Growth & City Development	Public Transport follow up	Limited Assurance
Growth & City Development	Traffic & Safety Capital Projects 2020-21 Follow-up	Limited Assurance
Growth & City Development	Traffic & Safety Capital Projects - Follow Up	Limited Assurance
Resident Services	NCC Carbon Neutral Commitment	Limited Assurance
Resident Services	Environmental Health & Safer Housing - Selective Landlord Licensing Follow-up	Limited Assurance
Resident Services	Parks, Open Spaces Contracting	Limited Assurance
People	Nottingham Schools Trust follow up 2020-21	Limited Assurance
NCC Corporate	Decision Making	Limited Assurance
Finance & Resources	Better Care Fund - DFG 2019-20	Grant
Finance & Resources	LA Bus Subsidy Grant Claim 2019-20	Grant
Finance & Resources	Local Transport Capital Grant 2019-20	Grant
Finance & Resources	NPIF Grants Audit 2019-20	Grant

External Assurances

Appendix E

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
LGA & NCSC	<p>National:</p> <p>LGA cyber security programme newsletter (Nov2020)</p> <ul style="list-style-type: none"> • LGA highlighted an NCSC report looking at the ransomware threat to UK local authorities • The newsletter highlighted NCSC guidance to mitigate malware and ransomware attacks and cyber defence tools 	<p>Mandatory IT Security training has been implemented across 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 26 March 2021. 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>The Head of IT has confirmed that vulnerabilities from a well-publicised worldwide incident were promptly remediated prior to information becoming more widely available.</p> <p>Internal Audit continue to provide a range of IT audits throughout the year including assessments concerning cyber security.</p>
Grant Thornton	<p>Nottingham:</p> <p>External Audit of Housing Benefit subsidy – The latest reported audit is for the year 2017/18 and resulted in</p>	<p>Officers and NRB continue to work with Grant Thornton to conclude outstanding years' subsidy audits.</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	subsidy clawback. The cash flow issues experienced due to delayed completion of the 2017/18 subsidy audit have now been cleared.	Internal Audit continue to review the outturn of subsidy audits and the associated systems as part of our internal audits of Housing Benefits and make recommendations for improvements where appropriate.
CQC – Setting Inspection Reports	<p>Nottingham:</p> <p>CQC Inspections in 2020-21</p> <p>Cherry Trees Resource Centre</p> <p>Infection Prevention and Control practice reported 30Mar21 – Assured / somewhat assured – advice given</p> <p>CQC Inspections in previous years</p> <p>5 services inspected – all rated Good at last inspection except Cherry Trees Resource Centre rated Outstanding</p>	Received confirmation from service manager that advice has been implemented.
CQC – Adult Social Care:	<p>2020 REPORT</p> <p>National:</p> <p>CQC State of Care report (Oct 2020)</p> <p>The report noted that the social care sector continued to be fragile as a result of the lack of a long-term funding solution, and in need of investment and workforce planning, and there was a continued need for Parliament and government to make this a priority.</p> <p>The report highlighted the impacts of the pandemic including requirements for infection prevention and control, and the effect including increased loneliness and stress of some such measures on people concerned.</p>	<p>Assurance updates in Directorate newsletter confirm that:</p> <p>The Cherry Trees Resource Centre received a CQC inspection to review infection control practices as set out above.</p> <p>During the pandemic ways of working have been adjusted to ensure that the care and support needs of citizens have been maintained, including redeploying staff to areas of priority and working closely with care providers around the city. The Social Care Reablement service was able to establish a Temporary Emergency Support Team (TEST). This service was established using redeployed staff and an external recruitment drive for temporary contracts. This invited staff that had lost their jobs or were furloughed to come and work for the Council to support vulnerable adults to remain at home safely.</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<p>CQC noted increased innovation in the sector including online options. The challenge now will be to keep and develop the best aspects of these new ways of delivering services while making sure that no one is disadvantaged in the process, in particular people who are vulnerable to digital exclusion.</p> <p>The report highlights disproportionate impacts on some people with protected characteristics. These unequal effects have affected health and social care workers as well as people in need of care.</p> <p>CQC looked at collaboration between providers and noted that where there was well planned governance, clear decision-making arrangements and escalation plans, those system-wide responses were most effective. In contrast, where we found multiple or unclear governance arrangements, those areas experienced higher levels of confusion and duplication of effort.</p> <p>The voluntary sector played a critical role in helping health and social care to keep people safe</p>	<p>A CQC inspection of a nursing home in the city revealed that it had failed to meet specified improvements and the Council and CCG made the decision to terminate their contract with the home. The Council has a specialist Adult Safeguarding Quality Assurance Team who for several years have overseen both safeguarding investigations and closures of care homes, so we have a tried and tested procedure which effectively coordinates such critical incidents. The closure required prompt coordination and collaboration both within Adult Social Care, and with the CCG, police, County, CQC and Age UK. Strong commitment and partnership whilst supporting relatives, identifying alternative placements and aiming to keep the location Covid-free, ensured that residents were supported and safely moved to new locations.</p> <p>The 'Grow Your Own' initiative in partnership with Manchester Metropolitan University continues to be used to support colleagues within the department to become qualified Social Workers.</p>
IICSA Independent Inquiry into Child Sexual Abuse	<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>As part of AGS the following update has been received:</p> <p>The Service is tracking progress against this action plan and to build on current work, the Council has engaged external independent scrutiny to ensure that necessary actions have been undertaken.</p> <p>Updates on progress were provided to Audit Committee, Executive Board and Children and Young People's Scrutiny Committee during 2020. Updates have been presented at</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<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 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. 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>Corporate Leadership Team and Leadership Group during April 2021. A further update is scheduled at Children and Young People Scrutiny Committee in July 2021.</p> <p>The NCSCP has been successful in its bid to the NSPCC for support with Child Sexual Abuse (CSA). This means that they will now work with us to help us undertake a CSA recovery audit, to analyse local CSA provision and need from a multi-agency perspective. This work will help partnerships to understand how collectively they can better support young people.</p> <p>Following the audit, we will be offered a CSA awareness building training session to help embed best practice within the local area, and develop their understanding of CSA and the impact it has on children.</p> <p>In addition to this, we are hoping to be offered enhanced training to support us to provide a holistic CSA therapeutic recovery service to local children, young people and their families, called 'Letting the Future In'.</p>
Children's Commissioner	<p>Stability Index 2020 Private Provision in Children's Social Care National:</p>	<p>CiC confirm attention to the themes in both these reports.</p> <p>The Children's Placements Manager confirms that Placement stability is considered and referenced throughout all placement specifications and highlighted as a success criteria/desired</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<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. A national report is published and Directors of Children’s Services and Lead Members for Children’s Services are notified of their local area’s rates of instability. National recommendations have been made in 2019 and the Children’s Commissioner has determined that children in care should be placed in good or outstanding schools only.</p> <p>The private provision report explores a range of questions about the involvement of private providers in the care system, in order to understand their role in the functioning of the care market. It considers the following questions around private sector involvement:</p> <ul style="list-style-type: none"> • Profit making: <i>How much profit do private providers make? How do private providers make a profit?</i> • Ownership, transparency and accountability: <i>Who owns private providers? What does private equity involvement mean for children?</i> • Competition, market power and price setting: <i>How concentrated is the market for independent provision? Do private providers have the power to set prices?</i> • Financial risk and instability: <i>What financial risks do private providers face? What do takeovers and mergers mean for children?</i> 	<p>outcome for all external contracts. It is a priority as laid out within the CiC Placements Commissioning and Sufficiency Strategy, and most recently as an outcomes measure within the anticipated Supported Lodgings contract. NCC CiC use the DfE’s LAIT tool to review performance across all KPIs, including placement stability. Children with three or more placement moves are flagged within LCS and captured by Insight and Analysis. NCC CiC have a dedicated social impact bond (referred to as the STARS scheme) with a focus on supporting children and carers to achieve increased placement stability for our children.</p> <p>In addition, reports on private provision in the looked after children’s sector are closely followed and inform CiC commissioning planning. CiC review reports locally and as a regional group of Commissioning Leads across the East Midlands. CiC have responded to the CMA’s ongoing inquiry into the profits made by the sector (CMA Children’s Social Care Market Study), which is closely linked to this. CiC have identified work strands to improve commissioning practice, detailed within the CiC Placements Commissioning and Sufficiency Strategy – and are currently working closely with the County and with Health partners to achieve more collaborative commissioning to support improved outcomes for this group.</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<ul style="list-style-type: none"> Quality of care: <i>How does the quality of care vary by type of ownership?</i> <p>The ultimate concern in the report is whether the market for care provision serves the best interests of children. This report therefore includes findings from speaking to children in care or with care experience about their perspectives on ownership in the care system.</p>	
<p>HM Inspectorate of Probation: Inspection of youth offending services</p>	<p>Youth Offending Inspection</p> <p>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"> the arrangements for organisational delivery of the service; the quality of work done with children and young people sentenced by the courts; and 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. 	<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> <p>Progress on the improvement plan was reported to the Youth Justice Management Board in May 2021, 1 of 7 actions was reported complete, with 12 elements of a further 4 actions completed and 2 with no elements completed but considered likely to complete on time. 1 element (a review requiring an effective YJS structure) is considered unlikely to complete on time without significant further action. The last programmed element completion date falls at the end of 2021.</p> <p>We will continue to review progress next year.</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<ul style="list-style-type: none"> • Information and facilities were rated as good. <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. 	

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<p>The Youth Justice Service heads of service should:</p> <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>	
Ofsted	<p>Nottingham Annual Engagement Meeting (December 2020)</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 and the DfE have continued to work closely regarding improvements with Nottingham following its Ofsted focused visit of February 2020. Due to Covid, all Ofsted assurance and inspection activity had been on hold until April 2021 at the earliest. A Safeguarding Inspection has been taking place in June 2021 and is due to report in August 2021.</p>	<p>All of Nottingham City Council Local Authority Children’s homes are understood to have achieved an Ofsted Inspection result of either Good or Outstanding.</p> <p>This assurance is managed through the annual conversation with Ofsted. NCC participates in inspections. In addition the Council has been working with Essex County Council as a Partner in Practice since May 2020 to support improvement. A good assurance framework exists in this area.</p> <p>The Council works closely with the LGA, DfE and Ofsted to keep them updated on progress.</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>At this focused visit, inspectors found that the experience of children in need of help and protection had deteriorated since the last inspection where the service was classed as ‘requires improvement’.</p> <p>There were two key areas for priority action:</p> <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 	<p>An Action Plan was created with the Children at the Heart Improvement Board including key partners established to drive its delivery. The action plan was agreed with Ofsted and includes support from LGA, DfE and Essex County Council. In December 2020 Essex undertook a review of improvement progress using their Partners in Practice review framework and recognised a strong foundation of improvement. The Council is looking to agree further support from Essex.</p> <p>Assurances have been provided to CLT, Leadership Group, Executive Panel, Executive Board, Audit Committee and the Children’s and Young People Scrutiny Committee in July 2020 and again in March 2021.</p>
National Association of Virtual School Heads	<p>Nottingham:</p> <p>Virtual School Peer review challenge (March 2021)</p> <p>In summary the scope of the review was:</p> <ul style="list-style-type: none"> • How effective is the Virtual School structure? Including in respect of the education of children in care? • The potential benefits for children in Care and partners of the ePEP 	<p>Senior Management are due to hear about NCC’s response to the review in July. The peer review recognised strengths and made the following recommendations</p> <ul style="list-style-type: none"> • Ensure arrangement for Post 16 young people and Early Years in your care are as strong as all other cohorts. • Ensure there is a balance between compliance and quality of PEPs as you move through this transition period. Both areas require improvement. • With the planned reduction in DSG support for the Virtual School team in future years – Explore the most

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<ul style="list-style-type: none"> • The Virtual School's intended changed arrangements for the distribution and monitoring of Pupil Premium; • Effectiveness of arrangements for tracking, monitoring and supporting children who have been excluded, are without a school place or are on part-time timetables 	<p>effective ways to maintain staffing levels for the benefit of children in your care</p> <p>The challenge also invited consideration of</p> <ul style="list-style-type: none"> • how the Virtual School might support those placed outside of areas requires clarification so that children placed out of city receive equitable services. • contact for a short period when the young person starts attending school again. • Transition for care leavers and 18-25 support • Consistent analysis and use of data to track children who are excluded, out of area and without a school place <p>We will consider this further in 2021-22</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.</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 support and experiences of pupils and parents.</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> <p>Assurance for SEND will be reported to Audit Committee in early 2022.</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<ul style="list-style-type: none"> 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. 	
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, 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>The programme found that Nottingham City Council has a very strong and well informed political leadership and</p>	<p>The Children and Young People Scrutiny Committee received a progress report in March 2021 from Early Years on an SLC Strategy which is in development. It is expected that joint commissioning of SLC support including therapy will be a key element of the strategy. Colleagues are working with Derby and Leicester to centralise SLC resources for the city and to support parents, carers and professionals to navigate what is available, so that they can help children to develop their SLC skills. Information has been centralised in one place, called the Balanced System pathway, providing clear guidance and support. Data analysis is a key element of the approach to improvement. The Peer Challenge team were expected to review progress in 2021. Further scrutiny by the committee is proposed for 2021/22</p>

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<p>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>The following key recommendations were made:</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, avoiding unnecessary assessments and providing input whilst awaiting specialist assessment • Review the use of children’s centres as venues for childminder groups, voluntary sector, peer led groups, other partners and more universal provision 	

External Assurance Provider - Relevance	Assurance Scope : Concerns	Further Assurance Activity
	<ul style="list-style-type: none"> • 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 	

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.