

Governance and Ethics Committee

Wednesday, 14 March 2018 at 13:00

County Hall, West Bridgford, Nottingham, NG2 7QP

AGENDA

1	Minutes of last meeting held on 1 February 2018	3 - 6
2	Apologies for Absence	
3	Declarations of Interests by Members and Officers:- (see note below) (a) Disclosable Pecuniary Interests (b) Private Interests (pecuniary and non-pecuniary)	
4	The Code of Conduct for Councillors and Co-opted Members	7 - 44
5	Corporate Risk Management Strategy, Risk Register and Risk Management Policy	45 - 70
6	Statement of Accounts 2017-18 - Accounting Policies	71 - 94
7	Internal Audit Plan 2018-19	95 - 110
8	Procurement of External Residential Placements for Looked After Children	111 - 116
9	KPMG External Audit Plan 2017-18	117 - 144
10	Certification of Grants and Returns 2016-17	145 - 146
11	Local Government Ombudsman Decisions - January and February 2018	147 - 164

12	Information Governance Framework and Key Policies	165 - 194
13	Member Development and Training	195 - 198
14	Work Programme	199 - 202

None

Notes

- (1) Councillors are advised to contact their Research Officer for details of any Group Meetings which are planned for this meeting.
- (2) Members of the public wishing to inspect "Background Papers" referred to in the reports on the agenda or Schedule 12A of the Local Government Act should contact:-

Customer Services Centre 0300 500 80 80

- (3) Persons making a declaration of interest should have regard to the Code of Conduct and the Council's Procedure Rules. Those declaring must indicate the nature of their interest and the reasons for the declaration.

Councillors or Officers requiring clarification on whether to make a declaration of interest are invited to contact Keith Ford (Tel. 0115 977 2590) or a colleague in Democratic Services prior to the meeting.

- (4) Councillors are reminded that Committee and Sub-Committee papers, with the exception of those which contain Exempt or Confidential Information, may be recycled.
- (5) This agenda and its associated reports are available to view online via an online calendar - <http://www.nottinghamshire.gov.uk/dms/Meetings.aspx>

Meeting GOVERNANCE AND ETHICS COMMITTEE

Date Thursday 1 February 2018 (commencing at 1.00pm)

membership

Persons absent are marked with 'A'

COUNCILLORS

Bruce Laughton (Chairman)
Andy Sissons (Vice-Chairman)

Nicki Brooks
Richard Butler
Steve Carr **A**
Kate Foale
John Handley

Eric Kerry
Errol Henry JP
Rachel Madden
Phil Rostance

OFFICERS IN ATTENDANCE

Barbara Brady Adult Social Care, Health and Public Protection

Rob Disney
Keith Ford
Jayne Francis-Ward
Jo Kirkby

} Resources

1. MINUTES

The Minutes of the last meeting held on 13 December 2017, having been previously circulated, were confirmed and signed by the Chairman.

2. APOLOGIES FOR ABSENCE

The following temporary change of membership, for this meeting only, was reported:-

- Councillor Richard Butler had replaced Councillor Mike Quigley

3. DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

None

ORDER OF AGENDA

The Chairman agreed to vary the order of the agenda in light of officers' other commitments.

4. ASSURANCE MAPPING

Rob Disney (Head of Internal Audit) introduced the report which proposed a process for assurance mapping within the Council.

RESOLVED: 2018/001

That the proposed pilot approach to assurance mapping, including the suggested role of the Committee in the procedure, be approved.

5. FOLLOW UP OF INTERNAL AUDIT RECOMMENDATIONS

Rob Disney (Head of Internal Audit) introduced the report which provided an update on the implementation of agreed management actions to address Internal Audit recommendations.

RESOLVED: 2018/002

That the progress detailed in the report and appendix be noted and that no further updates on any of the areas of activity covered in the report were required at this time.

6. LOCAL GOVERNMENT OMBUDSMAN DECISIONS NOVEMBER AND DECEMBER 2017

Jo Kirkby (Team Manager, Complaints and Information Team) introduced the report which detailed the LGO complaint decisions received in November-December 2017.

RESOLVED: 2018/003

That no further actions were required in relation to the issues contained within the report.

7. RESULTS OF NHS DIGITAL AUDIT OF DATA SHARING AGREEMENTS WITH PUBLIC HEALTH

Jayne Francis-Ward introduced the report which sought Members' views on the outcomes of an audit of a data sharing agreement between the Council and the NHS.

During discussions, the following issues were clarified in response to Members' comments:-

- In line with all other councils nationally, the County Council would not be compliant with the new General Data Protection Regulations by May 2018 but had a clear action plan to work towards compliance.
- Finding Ref 4 about the Council refusing to give the Audit Team sight of the vulnerability / penetration testing had arisen due to a communication breakdown and access had subsequently been granted.
- The technicality of the language used within the area of Information Governance was acknowledged.

- With regard to Finding Ref 10 regarding site visits to contracted third parties, a rota had been developed to give reassurance that the places where data was stored were being managed appropriately.
- All staff were required to undertake the 'Managing People's Information' training and the existing packages were being improved. This issue was also being addressed through supervision sessions and the Employee Personal Development Review (EPDR) process. The importance of the issue had also been underlined in 'Team Talk' staff briefings.

RESOLVED: 2018/004

That no further actions were required at this time.

8. WORK PROGRAMME

RESOLVED: 2018/005

That no further changes to the work programme were required at this stage

The meeting closed at 1.50 pm.

CHAIRMAN

14 March 2018**Agenda Item: 4****REPORT OF THE MONITORING OFFICER****THE CODE OF CONDUCT FOR COUNCILLORS AND CO-OPTED MEMBERS****Purpose of the Report**

1. To seek Committee's approval of a revised Code of Conduct for Councillors and Co-opted Members and accompanying protocols, and a revised procedure for dealing with conduct allegations, subject to adoption by Full Council.

Information

2. On 8 November 2017 this Committee resolved that the existing Code of Conduct should be revised and further developed to include a range of specific protocols. A cross-party working group was established to develop the Code and protocols.
3. The working group met twice and has approved a suite of documents for further consideration by Governance and Ethics Committee. These are attached as Appendices to this report. Where revisions to existing documents are proposed these are shown as tracked changes for ease of reference.

4. The suite of documents is as follows: -

Appendix 1	Code of Conduct for Councillors and Co-opted Members (revised)
Appendix 2	Councillor and Co-opted Member Interests Protocol (new)
Appendix 3	Councillor and Co-opted Member Protocol for use of Resources (new)
Appendix 4	Councillor and Co-opted Member Protocol in relation to Gifts and Hospitality (new)
Appendix 5	Social Media Protocol for Councillors and Co-opted Members (new)
Appendix 6	Procedure for dealing with Conduct Allegations (revised)

5. In addition, the working group recommends that some changes are made to the procedure rules for Full Council and committee meetings, in relation to disorderly conduct in meetings. The proposed changes are shown as tracked changes in **Appendix 7**.
6. The working group also proposed to make a minor amendment to the Travel and Accommodation Policy to clarify that where a fee or allowance is paid by an outside body to cover expenses, Councillors should not claim travel expenses from the County Council.
7. The working group concluded that hearings under the Procedure for dealing with Conduct Allegations would be more effectively considered by a sub-committee; Committee is therefore

asked to support the establishment of an ad-hoc sub-committee with a cross-party membership of 3. Information regarding any breaches of the Code of Conduct will be published.

8. Committee is also asked to incorporate reporting on matters included in the new Protocols (once adopted by Full Council) into its work programme going forward.
9. Two issues the Committee is asked to consider specifically are the value to be applied in relation to gifts received (Gifts and Hospitality Protocol **Appendix 4**) and the number of letters that can be sent by Councillors without approval by Governance and Ethics Committee (Use of Resources Protocol **Appendix 3**).
10. If approved, the policies, protocols and procedures listed in the Code of Conduct will be published together on the Council's intranet for ease of reference, and hard copies will be supplied to political group Business Managers.
11. Finally, Committee should note that the Committee on Standards in Public Life launched a call for evidence on 30 January 2018 in order to examine the structures, processes and practices in local government in England in relation to conduct matters. The deadline for responses is 18 May 2018 and a draft response will be presented to Committee ahead of that deadline. If there are any changes in legislation as a result of this review then the Code of Conduct and associated complaints procedure may need to be reviewed again.

Other Options Considered

12. Committee may decide that the proposed new protocols are not all required.

Reason/s for Recommendation/s

13. To ensure the Council's Code of Conduct for Councillors and Co-opted Members, and associated complaints procedure operate effectively to contribute to high ethical standards within the County Council.

Statutory and Policy Implications

14. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

- 1) That the documents and amendments described in paragraphs 4, 5 and 6 of the report be recommended to Full Council for approval.
- 2) That the Governance and Ethics Sub-Committee supports the establishment of a sub-committee in accordance with paragraph 7 of the report.

- 3) That, subject to approval by Full Council, the Committee's work programme be updated accordingly.

Jayne Francis-Ward
Monitoring Officer and Corporate Director Resources

For any enquiries about this report please contact:
Sue Bearman susan.bearman@nottsc.gov.uk, 0115 977 3378

Constitutional Comments [SMG 06/03/18]

15. The Governance & Ethics Committee has responsibility for the implementation of and revision to all codes of conduct and practice of the County Council and is the appropriate body to consider the contents of this report.

Financial Comments [RWK 05/03/18]

16. There are no specific financial implications arising directly from the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All

APPENDIX 1

PART B – CODES OF CONDUCT AND GUIDANCE FOR COUNCILLORS AND OFFICERS

CODE OF CONDUCT FOR COUNCILLORS AND CO-OPTED MEMBERS

INTRODUCTION

1. The public is entitled to expect the highest standards of conduct from all Councillors and co-opted members of the County Council.
2. The Code sets out the standards of service that are expected from Councillors and co-opted members of the Council. In particular, Councillors and co-opted members should act in an open and transparent manner and should not do anything which would prejudice the reputation of the Council.
3. It is important Councillors and co-opted members understand their position as regards standards of conduct, and if in any doubt should seek guidance. This is because in some circumstances a breach of the Code could be a criminal offence and because any person could make a complaint to the Council if they believe a Councillor or co-opted member has breached the Code.
4. This Code is adopted in accordance with Section 27(2) of the Localism Act 2011. This Code is accompanied by a Councillors' Interests Protocol and a Procedure for Dealing with Conduct Allegations.

UNDERLYING PRINCIPLES

5. As a Councillor or co-opted member of the Council you must have regard to the following principles – selflessness, integrity, objectivity, accountability, openness, honesty and leadership – the seven 'Nolan Principles' of public life.
6. This Code applies when you are acting in your capacity as a Councillor or co-opted member. This includes attendance at formal committee meetings, acting as a formal representative of the Council, discharging your electoral division functions, meetings with County Council officers and site visits. Also all telephone calls, emails, letters and social media posts where it could be perceived that you are acting in your capacity as a Councillor or co-opted member.
- 5.7. It may sometimes be difficult to distinguish between whether you are acting in a public or private capacity, for example on social media and when attending public events. You are an ambassador for the County Council whenever you are in public, whether on social media or in person. You should bear in mind at all times and in all situations the obligations you have under this Code.

GENERAL CONDUCT

6-8. Accordingly, when acting in your capacity as a Councillor or co-opted member:

- a. You must act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, a friend or close associate;
- b. You must not place yourself under a financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties;
- c. When carrying out your public duties you must make all choices, such as making public appointments, awarding contracts or recommending individuals for rewards or benefits, on merit;
- d. You are accountable for your decisions to the public and you must co-operate fully with whatever scrutiny is appropriate to your office;
- e. You must be as open as possible about your decisions and actions and the decisions and actions of the Council and should be prepared to give reasons for those decisions and actions;
- f. You must declare any private interests, both pecuniary and non-pecuniary, that relate to your public duties and must take steps to resolve any conflicts arising in a way that protects the public interest, including registering and declaring interests in a manner conforming with the procedures set out in the box below;
- g. You must, when using or authorising the use by others of the resources of the Council, ensure that such resources are not used improperly for political purposes (including party political purposes) and you must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986;
- h. You must promote and support high standards of conduct when serving in your public post, in particular as characterised by the above requirements, by leadership and example, by respecting others and not bullying, intimidating or harassing any person, or behaving in an improper or offensive manner (including by using offensive language or making personal remarks about individuals), by respecting the confidentiality of information you receive, and by not conducting yourself in a manner which is likely to bring the authority into disrepute.

POLICIES, PROTOCOLS AND PROCEDURES

9. You must comply with the Council's adopted policies, protocols and procedures including: -

a. Policies

- i. Councillor Divisional Fund Policy and Guidance
- ii. Equality and Diversity Policy
- iii. ICT policies and Councillor's ICT Acceptable Use Guidance
- iv. Information Management policies
- v. Travel and Accommodation Policy

b. Protocols

- i. Councillor Interests Protocol
- ii. Councillor Gifts and Hospitality Protocol
- iii. Councillor Use of Resources Protocol
- iv. Councillors' Social Media Protocol
- v. Protocol for Councillor and Officer relationships
- vi. Protocol for involvement in outside bodies

c. Procedures/Schemes

- i. Councillors' Allowances Scheme
- ii. Disclosure and Barring Scheme checks procedure
- iii. Procedure rules for meetings of Full Council and Committees

REGISTERING AND DECLARING PECUNIARY AND NON-PECUNIARY INTERESTS

~~7-10.~~ You must, within 28 days of taking office as a Councillor or co-opted member, notify the Council's Monitoring Officer of any Disclosable Pecuniary Interest (we have set out the definition of a Disclosable Pecuniary Interest in the Appendix to Councillors' Interests Protocol which accompanies this Code), where the pecuniary interest is yours, or that of your spouse, civil partner, or a person you are cohabiting with. **Failure to do so is a criminal offence. On re-election you must check, within 28 days, whether any amendment is needed to the information you provided previously. Again, failure to do so is a criminal offence.**

~~11.~~ You must declare any Disclosable Pecuniary Interests ~~and private interests, both pecuniary and non-pecuniary,~~ to any meeting of the Council at which you are present and have an interest in any matter being considered. **Failure to do so is a criminal offence.**

~~8.—~~

~~9-12.~~ ~~If the interest being declared is a "sensitive interest" you only have to disclose the fact you have an interest but do not need to disclose the nature of the interest.~~

~~10-13.~~ Following any disclosure at a meeting of a Disclosable Pecuniary Interest not already on the Council's register, you must notify the Monitoring Officer of the interest within 28 days of the date of disclosure. **Failure to do so is a criminal offence.**

14. Unless dispensation has been granted, you may not participate in any discussion of, vote on, or discharge any function ~~related to any matter in relation to any business~~ in which you have a Disclosable Pecuniary Interest. **Failure to do so is a criminal offence.** Additionally, you are required to leave the room in which the meeting is being held whilst the matter is under consideration in accordance with the Council and Committee procedure rules, ~~paragraphs 17 and 12 respectively.~~
15. **In addition** you must declare any Private Interests, both pecuniary and non-pecuniary, to any meeting of the Council at which you are present and have an interest in any matter being considered. You may still participate in the item under discussion and vote, although depending on the circumstances you may decide it would be more appropriate not to.
16. A Private Interest is where a decision in relation to that interest might reasonably be regarded as affecting the wellbeing or financial standing of you or a member of your family or a person you have a close association with, more than it would other people in your electoral division or the County Council's area. It may also include other positions held where relevant, for example membership of a board or association or being a school governor. In short, anything you think the public would expect to know about if, as a Councillor or co-opted member, you were involved in a matter relating to it.

~~11-17.~~

SENSITIVE INTEREST

- 12-18. Where you are concerned that the disclosure of an interest would lead to you or a person connected with you being subject to violence or intimidation, you may request the Monitoring Officer to agree that the interest is a “**sensitive interest**”.
19. If the Monitoring Officer agrees, then at a meeting you merely have to disclose the existence of the sensitive interest rather than the detail of it, ~~at a meeting, and. Where it is a Disclosable Pecuniary the Interest the~~ Monitoring Officer ~~can~~ will also exclude the detail of the sensitive interest from the Council's publicly available version of the register. If circumstances change you should notify the Monitoring Officer so that the public register can be amended accordingly.
- 13-20. The Council has adopted a **Councillor Interests Protocol** to accompany this Code of Conduct; Councillors and co-opted members should refer to it for further information and guidance.
14. You must, within 28 days of becoming aware of any change of circumstances which means that information excluded is no longer a “sensitive interest”, notify the Council's Monitoring Officer in writing.

APPENDIX 2



Nottinghamshire County Council

Councillor Interests Protocol

Councillors and Co-opted members are required by law to register certain interests, and to declare them when taking part in meetings. Failure to do this is a criminal offence. The Council's Code of Conduct and meeting procedure rules also require Councillors and Co-opted members to declare private interests, whether pecuniary or non-pecuniary.

This Protocol provides information and guidance to assist Councillors and Co-opted members.

Important Information

1. Deadlines

The law requires Disclosable Pecuniary Interests to be registered within certain time limits. These are summarised below for ease of reference.

- Within 28 days of taking office as a councillor you must submit your declaration of interest.
- If you have been re-elected you do not need to submit a new form, but within 28 days of re-election you do need to review your declaration and submit any new/revised information, or confirm that there have been no changes.
- If you declare a DPI at a committee meeting that is not already on the register, you must submit written notice of it within 28 days of the meeting.
- You will be required to check on an annual basis that your declaration of interest is up to date.

2. Criminal Offences

Failure to comply with some legal requirements is a criminal offence. These are summarised below for ease of reference.

- Failure to comply with the timescales above is a criminal offence.
- It is also a criminal offence to participate and vote in a meeting where you have a Disclosable Pecuniary Interest, or to take any other steps in relation to the matter.
- Providing false or misleading information is a criminal offence.
- Conviction can lead to a fine and disqualification from being a councillor for 5 years.

Guidance

Appendix	Details	Page
1	Interests that must be registered by law – Disclosable Pecuniary Interests	3
2	How to complete the declarations form – a sample form	5
3	Further information regarding the 'securities' DPI	10
4	Declaring interests in meetings, including the circumstances in which you must not take part in a meeting and must not vote	11

Appendix 1

DISCLOSABLE PECUNIARY INTERESTS

Interest	Prescribed description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the council) made or provided within the previous 12 months (up to and including the date of notification of the interest) in respect of any expenses incurred by you carrying out duties as a member, or towards your election expenses.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the trade union and labour relations (consolidation) act 1992.</p>
Contracts	<p>Any contract which is made between you, your spouse or civil partner or person with whom you are living as a spouse or civil partner (or a body in which you or they have a beneficial interest) and the council</p> <p>Under which goods or services are to be provided or works are to be executed; and</p> <p>Which has not been fully discharged</p>
Land	<p>Any beneficial interest in land which is within the council's area.</p> <p>For this purpose "land" includes an easement, servitude, interest or right in or over land which does not carry with it a right for you, your spouse, civil partner or person with whom you are living as a spouse or civil partner (alone or jointly with another) to occupy the land or to receive income.</p>

Licences	Any licence (alone or jointly with others) to occupy land in the council's area for a month or longer.
Corporate tenancies	Any tenancy where (to your knowledge) – The landlord is the council; and The tenant is a body in which you, your spouse or civil partner or a person you are living with as a spouse or civil partner has a beneficial interest
Securities	Any beneficial interest in securities of a body where – That body (to your knowledge) has a place of business or land in the council's area; and Either – The total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or If the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, your spouse or civil partner or person with whom you are living as a spouse or civil partner has a beneficial interest exceeds one hundredth of the total issued share capital of that class. For this purpose, "securities" means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the financial services and markets act 2000 and other securities of any description, other than money deposited with a building society.

Appendix 2

DECLARATIONS FORM N1

Notification of Councillor's or Co-opted Member's Pecuniary Interests

You must use this form to provide details of your Pecuniary Interests. The form explains what Pecuniary Interests are and includes some examples.

Pecuniary Interests include both your financial interests and the financial interests of your spouse, civil partner or a person you are living with as if they were your spouse or civil partner.

Note: You do not have to separately identify which are your interests and which are your partner's.

The information you provide will be used to update your register of interests, which is published by the Council.

You are strongly advised to keep your register of interests up to date. Failure to do so may result in a criminal conviction.

Pecuniary Interests to be registered on taking office

You must provide us with details of all your Pecuniary Interests within 28 days of becoming a member of the Council. If anything changes you must provide updated details within 28 days.

Pecuniary Interests disclosed at meetings

Where you declare any unregistered Pecuniary Interest at a meeting, you must provide a form with written details of that interest within 28 days of the meeting.

Sensitive Interests

Pecuniary Interests that are included on the register of interests will be publicly available.

Where you are concerned that the disclosure of an interest would lead to you or a person connected with you being subject to violence or intimidation, you may request the Monitoring Officer to agree that the interest is a "sensitive interest".

The Monitoring Officer can exclude the detail of the interest from the Council's publicly available version of the register.

Do not include interests which you are requesting be treated as "sensitive interests" on this form. Please use Form N3.

I, (full name)

.....

a member of Nottinghamshire County Council **GIVE NOTICE** that I/ my partner have the following Pecuniary Interests:

Please provide details of your/your partner's Pecuniary Interests in the boxes provided and state "none" where appropriate

1. Details of any employment, office, trade, profession or vocation which is carried on for financial gain:

Example:

*Employer: Nottingham Trent University
Job Title: Careers Advisor*

*Business: Nottinghamshire Careers Consultants
Status in business: Partner*

*Employer: Boots plc
Profession: Pharmacist*

(Note: The last entry relates to the Councillor's spouse, but there is no need to explain this on the form)

2. Details of any payment or provision of any other financial benefit received (other than from the Council) within the previous 12 months (up to and including the date of notification of the interest) in respect of any expenses incurred by you carrying out duties as a member, or towards your election expenses:

Example:

1 April 2013 - £50 - leaflet printing costs – Nottinghamshire Labour Party

(Note: It is not sufficient following an election to refer here to your electoral expenses form. You should include the amount received, who it was received from, and what it was spent on)

3. Details of any contract which is made between you, your partner (or any organisation in which you or your partner have an interest) and the Council under which goods or services, or works, are done for the Council:

Example:

*Agreement for provision of careers advice to schools in Nottinghamshire
Between Nottinghamshire County Council and Nottinghamshire Careers Consultants
Dated 1 May 2012
Duration 3 years
Value £500*

4. The address or other description (sufficient to identify location) of any interests you/your partner hold in land situated in the Council's area (including any licences to occupy land) and/or tenancies where the Council is the landlord and the tenant is a body you/your partner hold an interest in:

Example:

1 Smith Street Arnold Nottinghamshire NG5

(Note: include any properties in Nottinghamshire that you or your partner own (whether you live in them or not), the address of the property you live in (whether you own it or not), and land you own (for example agricultural land). You do not need to specify the nature of the interest, but you can if you prefer.)

5. Details of any securities (e.g. shares, debentures, loan stock) that you/your partner hold which are worth over £25,000 or 100th of the total issued share capital in any body that has a place of business or land in the Council's area:

Example:

Shares – Nottingham Forest Football Club

(Note: There is no need to declare how many shares you or partner own or their value – further guidance on securities is available in Appendix 3 of the Councillor Interests Protocol)

Date: _____

Signed: _____

Please send the completed form to Democratic Services.

The Monitoring Officer is responsible for establishing and maintaining the Council's register of interests. You may contact the Monitoring Officer if you have any questions concerning the Council's register.

A member must within 28 days of becoming aware of any new Pecuniary Interest or change to any Pecuniary Interest specified above, register details of that new interest or change by providing written notification to the Council's Monitoring Officer (Form N2 may be used for this purpose).

Any other matters:

Example:

Trade Union Membership – NUT

Parish Councillor – Arnold Parish Council

(Note: 'Other matters' declarations are voluntary – you are not required to complete this section)

Appendix 3

ADVICE FOR COUNCILLORS AND CO-OPTED MEMBERS REGARDING DISCLOSABLE PECUNIARY INTERESTS AND SECURITIES

Councillors and Co-optees are required to register Disclosable Pecuniary Interests in relation to securities as follows: -

Details of any securities (e.g. shares, debentures, loan stock) that you/your partner hold which are worth over £25,000 or 100th of the total issued share capital in any body that has a place of business or land in the Council's area

This checklist is designed to help to decide whether you have an interest that needs to be registered.

1. Does the organisation you (or your partner) own shares in have a place of business or own land within Nottinghamshire?

For some organisations their sole place of business is Nottinghamshire, but this could also include organisations that have branches, offices or factories in Nottinghamshire – for example high street chains and banks.

- If the answer to this question is yes go to 2.
- If the answer is no or don't know, a declaration is not required but do re-consider this checklist if circumstances change.

2. Are your (or your partner's) shares worth over £25,000?

- If the answer to this question is yes go to 4.
- If the answer is no, go to 3.

3. Do you (or your partner) own 100th (or more) of the total issued share capital?

For example, if the issued share capital is £200,000 and you own £3,000 of shares you own more than 100th.

You might have shares other than ordinary shares – if so you need to check if you own more than 100th of that class of share.

- If the answer to this question is yes go to 4.
- If the answer is no, a declaration is not required but do re-consider this checklist if circumstances change.

4. If you have answered yes to any of the questions above you must register a DPI

Appendix 4

MAKING DECLARATIONS IN MEETINGS

Disclosable Pecuniary Interests

1. If you have a Disclosable Pecuniary Interest (DPI) you must not be involved in any Council or committee decision **relating to** this interest, i.e. a decision that could impact that interest in some way. For example:
 - a. If you have a DPI in a sand and gravel business you should not take part in any item at Planning & Licensing Committee where the business is the applicant.
 - b. If you have a DPI in an information technology business you should not take part in any procurement decision where the business has tendered for the contract.
2. You must declare the fact that you have a DPI at the start of the meeting. If you realise you have an interest later in the meeting you should declare it as soon as possible.
3. The law says that you must not take part in debate or vote on the matter. The Council's procedure rules also require you to leave the meeting when the matter is under discussion.
4. If the subject matter of a report involves an organisation in which you have a DPI, but is **not in relation to** your DPI (i.e. a decision that would not impact your interest in any way) there is no need for you to declare a DPI. For example:
 - a. A committee report contains a proposal for a civic ceremony; the report contains a list of invitees, which includes the managing director of an organisation in which you have a DPI.

However you may wish to declare a private interest for the sake of transparency.

5. It is possible to make a written request to the Council's Chief Executive for a dispensation to take part in a matter despite the existence of a DPI. The Chief Executive may grant a dispensation in limited circumstances, including where so many Councillors would be prohibited from taking part that it would make the transaction of business impossible.

(Continued)

Private Interests

6. Even if it is not a Disclosable Pecuniary Interest, you should always consider if you have an interest in a matter that you should make others aware of. This is to be open and above board.
7. This may include a financial interest which you are not required to register as a DPI because it relates to your children or parents or a close friend, rather than you or your partner. It could also include a non-financial interest such as being a school governor, where a matter relates to that school in particular.
8. In these circumstances it is for you to decide whether it would be appropriate to declare a private interest in the matter for the sake of transparency.
9. You should declare the fact that you have a private interest at the start of the meeting. If you realise that you have an interest later in the meeting you should declare it as soon as possible.
10. If you declare a private interest you can still stay in the meeting while the report is under consideration, and vote. However, depending on the circumstances you may prefer to leave the meeting while the report is under consideration, or to stay in the room but abstain from voting. You should consider whether a member of the public would find it difficult to believe that your personal interest had not influenced you.

Always seek advice from Democratic Services if you are not sure, if possible before the meeting.

APPENDIX 3



Nottinghamshire County Council

Councillors and Co-opted members – Protocol for Use of Resources

1. INTRODUCTION

This protocol provides rules on the use of Council resources in relation to your role as a Councillor.

The Council provides a range of support services and facilities to enable Councillors to carry out their duties. The full range of resources available and rules regarding use are set out in the **Schedule** attached to this protocol.

2. COUNCIL BUSINESS – WHEN THIS PROTOCOL APPLIES

Councillors may use Council facilities and resources in connection with the following Council business:

- Matters relating to the decision making process of the Council, e.g. Council and committee meetings
- Representing the Council on an outside body
- Holding division surgeries
- Meeting, communicating with and dealing with correspondence from residents, other Councillors, officers, Government officials, MPs etc. in connection with Council business
- Matters for discussion by a political group of the Council, so long as it relates mainly to the work of the Council and not your political party or group

3. PRINCIPLES FOR USE OF RESOURCES

- Councillors must be mindful of Council resources and must always seek to conduct business in the most cost effective way. Councillors must have regard to the need to ensure prudent and reasonable use of resources and value for money.
- Party political activities or individual campaigning do not form part of Council business and the Council's resources must not be used for these activities. This includes Council email addresses. The Council is prohibited by law from publishing any material which, in whole or in part, appears to be designed to

affect public support for a political party or an individual Councillor, or to highlight their achievements.

- Use of resources for the purpose of representing individuals or small groups of residents is acceptable. However, high volume use of resources including sending out circulars and conducting wide-scale consultation exercises is not acceptable, even though these may involve Council business.
- In the interests of economy and the environment, Councillors are requested to use e-mail, or to hand-deliver, instead of using post wherever possible.
- Governance and Ethics Committee is responsible for oversight of use of resources including review of postage and photocopying costs incurred by individual Councillors and political groups. Committee is also responsible for considering requests for exceptions to be made. Committee reserves the right to charge Councillors for excessive use.

SCHEDULE

Equipment and Resources for Councillors

ICT Equipment - you will be provided with appropriate equipment for your full term of office.

If you have been provided with a phone, you will have access to unlimited calls and texts to standard numbers, with a 2GB monthly data limit. Any laptop or tablet devices have a 5GB monthly data limit. You will be required to meet the costs of any usage above those limits at a cost of 5p per MB.

You will be reminded of the terms and conditions around the appropriate use of these devices during your induction training.

On receipt of equipment Councillors are required to confirm that they have read the Councillors' ICT Acceptable Use Guidance.

Support for technical matters is supplied by the Council's ICT helpdesk. User training is available on the intranet.

Councillors' Webpages - the Council's Website includes a page for each Councillor. This page includes your contact details, photograph, and committee membership details. There is also a facility for you to provide regular updates on your activities as a Councillor. These webpages will be removed during all pre-election periods.

Arrangements for incoming mail – you will have a pigeonhole, located within your relevant group area (where applicable) for meeting papers and any mail sent to you at County Hall. Mail should be collected wherever possible but if you are not expected to be at County Hall for some time then you can ask for mail to be sent to your home address. Please discuss your specific requirements with your group researcher.

Arrangements for outgoing mail – there will be an outgoing mail tray located within your relevant group area (where applicable); this is the only mail tray you should use. The Council's corporate letter templates and window envelopes **must** be used in order to enable mail to be franked. If mail cannot be franked it is more expensive to post. Unless there are exceptional circumstances postage will be second class. Councillors should be economical in their use of post; volume use (anything in excess of xx items) is not acceptable unless approved in advance by Governance and Ethics Committee. Use email or hand-deliver instead where possible. The Post Room reserves the right to open any post to ensure policies are being adhered to.

Stationery - a limited range of stationery is available from either your group researcher or Democratic Services. Stationery must not be adapted to include political logos. Photographs can be included but must be printed in black and white. The Multi-Function Devices are regularly re-stocked with printer paper; you should contact Facilities to re-stock if necessary rather than taking paper from other

locations in the building; this is to ensure proper reporting to Governance and Ethics Committee regarding volumes used.

Printing– Photo security passes will enable you to print, scan and photocopy from the Multi-Function Devices located around County Hall. These will be the only printing facilities available, with the exception of Central Print. This is in order to ensure to ensure proper reporting to Governance and Ethics Committee regarding volumes used. In the interests of transparency and cost-effectiveness these facilities are only available when security passes are used. In accordance with the Council's Print Strategy **high volume copying and printing (any job involving 200 plus sides of paper) must be sent to Central Print as this is the cheapest option.** Due to the high costs associated with colour printing, you should always print /copy in black and white unless colour is required to enable the document to be understood. Councillors should be economical in their use of print.

Business Cards can be obtained from Democratic Services. You may request a supply of 500 cards to cover your full term of office. These cards should only include contact details for County Hall, to prevent any subsequent changes being required.

Room Hire for Surgeries – for your constituency surgeries you should seek to use meeting rooms that do not incur a charge to the Council. These can include community facilities and some Council premises. If no suitable premises are available an application for the cost of hiring an alternative venue will need to be approved by Governance and Ethics Committee

Disclosure and Barring Service checks – to undertake your role as a Councillor you need to have a Disclosure and Barring Service (DBS) check. Democratic Services will contact you about the process and documentation required to complete an electronic DBS application form. You may have a current DBS check, however there are very limited circumstances in which checks can be transferred. Democratic Services will advise you on this issue.

Nottingham City Transport Cards - a limited number of Nottingham City Transport Cards for official business travel on City buses are available for staff and Councillors from Reception at County Hall. These must be signed for and returned to County Hall reception after each use. At all times your chosen method of travel must be the most cost effective method, taking into account the value of time saved, anticipated subsistence and other expenses and any other relevant matters. More details are available in the Travel and Accommodation Policy.

Conferences – attendance at conferences, seminars and training events for which a fee is payable must be approved in advance by the relevant committee.

County Hall Essential Information

County Hall is open Monday to Friday, usually 6.30am to 6.30pm. The building is also usually open on Saturdays from 8.00am to 1pm. If you intend to continue working in an office after 6.30pm, you should inform the Facilities office on extension 73316.

Security pass. You will be issued with a security pass. Security is very important and you should wear your pass at all times on a County Council lanyard as you may be asked for identification. Your pass will operate the car park barrier, the reception barriers and the doors to secure areas of the County Hall campus.

Each card is individually programmed to provide access to particular areas in the building. Your initial pass will be a temporary version – this will be replaced with a new pass containing your photograph which, as well as giving you the relevant access rights, will also enable you to scan, copy and print from the large machines around the building (called Multi-Function Devices or MFDs).

Car Parking spaces for Councillors' exclusive use in connection with Council business are available in the Members' Car Park on the River Trent frontage. Drive around to the rear of County Hall and present your security pass at the barrier to allow access to this area. Unless you are on Council business you should pay for parking at times when members of the public are required to pay to use the Car Park, for example during cricket and football matches.

Office Accommodation is provided for Councillors' use. There are currently suites of rooms on the ground and first floors at County Hall. The allocation of accommodation will be confirmed as soon as possible after the election, after consultation with the political groups.

Confidential Waste bins are provided in all work areas for secure disposal of confidential or sensitive documents. Recycling bins are also provided.

Meeting rooms – meetings involving Councillors will usually be held in

Council Chamber	- main building, floor 1.
Committee rooms B & C	- main building, ground floor.
Rufford Suite	- Riverside block, floor 1.
Committee room A & Civic Suite	- Riverside block, ground floor.

Lifts are available to all floors within County Hall. There is also a wheelchair lift to the Rufford Suite and Riverview Restaurant.

Catering facilities are available. Rolls, beverages and other snacks can be bought from the snack bar in Reception. The Riverview restaurant in the Riverside block serves hot meals and sandwiches. Councillors are entitled to complementary drinks from within their group accommodation or from the snack bar.

Visitors to County Hall must sign in at the reception desk in the entrance foyer; all visitors will be provided with a temporary pass. They should sign out and return the pass on leaving the building.

Fire Alarms are tested at 10.00am on the first Wednesday of every month. A continuous ring signals the fire alarm and an intermittent ring signals a bomb alert. If you hear the alarm bell you must vacate the building at the nearest fire exit. Please make yourself aware of these with the posters placed around County Hall and be aware of the relevant assembly points.

APPENDIX 4



Nottinghamshire County Council

Councillors and Co-Opted Members - Protocol in relation to Gifts and Hospitality

WHAT TO DO IF YOU ARE OFFERED A GIFT

1. It is reasonable to accept a modest gift of a promotional character given to a wide range of people, and not uniquely to you, such as calendars, diaries, pens and other articles of use in the office. Modest gifts at the conclusion of any courtesy visit to a factory or firm of the sort normally given by that firm may also be accepted.
2. From time to time, Councillors and Co-Opted Members may be offered other higher value or personal gifts. You need to consider why you have been offered the gift. If you are in doubt as to the motive behind the gift, you should seek advice from Democratic Services as to whether it is appropriate to accept it. No gift worth over £xx should be accepted under any circumstances. Any gift offered, whether accepted or refused, should be recorded in the gift and hospitality register held by Democratic Services, which is available for public inspection.
3. If it is impractical to return a gift, or to do so would cause undue offence, in circumstances where it would otherwise be inappropriate to accept the gift, the gift can be donated to raise money for the Chairman's Charity.

WHAT TO DO IF YOU ARE OFFERED HOSPITALITY

4. Councillors and Co-Opted members should only accept offers of hospitality if they are invited in their role as a Council representative. Offers to attend events should be accepted only when these are significant for Nottinghamshire, relate to business that is currently relevant to Nottinghamshire, or where the Council should be seen to be represented. Acceptance of such invitations should be recorded in the gift and hospitality register.
5. When hospitality has to be declined, the third party offering the hospitality should be courteously informed of the reasons for the requirement to decline.
6. When receiving hospitality, Councillors and Co-Opted Members should be particularly sensitive as to its timing in relation to decisions which the Council may be taking affecting those providing the hospitality.

7. There may be circumstances where it will not always be possible, or even desirable, to reject offers of hospitality on a modest scale. Acceptable examples would include official hospitality at a function organised by a public authority; overseas civic twinning arrangements and similar events; refreshments following a site visit; or a working lunch of a modest standard to enable the parties to continue to discuss business. The decision whether to accept or not must depend on the circumstances in each case. These circumstances will also determine whether the hospitality needs to be entered in the register. If in doubt Councillors and Co-Opted Members should err on the side of caution and enter the appropriate details in the register.

FAMILY AND FRIENDS

8. Councillors and Co-Opted Members should give the same consideration to offers made to members of their family, or friends, which could be viewed as securing an indirect benefit to themselves.

APPENDIX 5



Nottinghamshire County Council

Social Media Protocol for Councillors

Introduction

Social media is the term used for online tools, websites and interactive media that enable users to interact with each other by sharing information, opinions, knowledge and interests. This Protocol covers social media issues over the internet and by email, smart phones, social networking sites, blogging, and tweeting.

Social media increases our access to audiences and improves the accessibility of our communication. It enables us to be more active in our relationships with citizens, partners and stakeholders, and encourages people to be involved in local decision making, enabling better engagement and feedback, ultimately helping to improve the services we provide.

For the purposes of this Protocol, the term 'social media' covers sites and applications including but not restricted to Facebook, Twitter, MySpace, Flickr, YouTube, Instagram, LinkedIn, blogs, discussion forums, wikis and any sites which may emerge after the creation of this Protocol where Nottinghamshire County Council could be represented via online participation.

The Council acknowledges social media as a useful tool however, clear guidelines are needed for the use of social media sites to ensure they are used effectively as part of a wider communications mix and that their use does not expose the Council to security risks, reputational damage or breach the Data Protection Act.

Policy Statement

This Protocol provides a structured approach to using social media and will ensure that it is effective, lawful and does not compromise Council information or computer systems/networks.

Users must ensure that they use social media sensibly and responsibly, in line with corporate policy. They must ensure that their use will not adversely affect the Council

or its business, nor be damaging to the Council's reputation and credibility or otherwise violate any Council policies.

Purpose

This Protocol applies to Councillors and Co-opted Members. It gives guidelines on how to use social media, sets out how we can effectively manage social media usage and indicates how any risks or pitfalls can be minimised or mitigated. The following risks have been identified with social media use (this is not an exhaustive list):

- Virus or other malware (malicious software) infection from infected sites.
- Disclosure of confidential information.
- Damage to the Council's reputation.
- Social engineering attacks (also known as 'phishing').
- Bullying or "trolling". An internet "troll" is a person who starts arguments or upsets people, by posting inflammatory or off-topic messages online with the deliberate intent of provoking readers into an emotional response, or of otherwise disrupting normal discussion, often for their own amusement.
- Civil or criminal action relating to breaches of legislation.
- Breach of safeguarding through the use of images or personal details leading to the exploitation of vulnerable individuals.
- Breach of the code of conduct for members through inappropriate use.

This Protocol aims to ensure appropriate use of social media, that Council information remains secure and is not compromised through use of social media, and that the Council's reputation is not damaged or adversely affected.

Responsibilities of Councillors and Co-opted Members

1. Social media must not be used in a way that might lead to a complaint that you have breached the Council's Code of Conduct for Councillors and Co-opted Members.
2. It is recommended that you have separate social media profiles for your role as a County Councillor or Co-opted Member and for your private life.
3. You are personally responsible for the content you publish on any form of social media. Publishing or allowing to be published (in the form of a comment) an untrue statement about a person which is damaging to their reputation may incur a libel action for which you will be personally liable; no indemnity from the Council will be available.

4. Do not use the Council's logo, or any other Council related material on a personal account or website.
5. Social media sites are in the public domain and it is important to ensure that you are confident of the nature of the information you publish. Once published, content is almost impossible to control and may be manipulated without your consent, used in different contexts, or further distributed.
6. Make use of stringent privacy settings if you don't want your social media to be accessed by the press or public. Read the terms of service of any social media site accessed and make sure you understand their confidentiality/privacy settings.
7. Do not disclose personal details such as home addresses and telephone numbers. Ensure that you handle any personal or sensitive information in line with the Council's Data Protection policies.
8. Safeguarding issues are paramount because social media sites are often misused by offenders. Safeguarding is everyone's business – if you have any concerns about other site users, you have a responsibility to report these.
9. Do not publish or report on meetings which are private or internal (where no members of the public are present or it is of a confidential nature) or exempt reports (which contain confidential information or matters which are exempt under the provision of the Local Government (Access to Information) Act 1985).
10. Copyright laws still apply online. Placing images or text from a copyrighted source (e.g. extracts from publications or photos) without permission is likely to breach copyright. Avoid publishing anything you are unsure about or seek permission from the copyright holder in advance.
11. Be aware of your own safety when placing information on the internet and do not publish information which could leave you vulnerable.

Principles for Using Social Media

You should follow these five guiding principles for any social media activities:

Be respectful – set the tone for online conversations by being polite, open and respectful. Use familiar language, be cordial, honest and professional at all times.

Make sure that you respect people's confidentiality – do not disclose non-public information or the personal information of others.

Be credible and consistent – be accurate, fair, thorough and transparent. Encourage constructive criticism and deliberation. Make sure that what you say online is consistent with your other communications.

Be honest about who you are – it's important that any accounts or profiles that you set up are clearly and easily identifiable. Be clear about your own personal role.

Be responsive – make an effort to share what you know. Offer insights where appropriate and put people in touch with someone who can help if you cannot. Respond to questions and comments in a timely manner.

Think twice – Think carefully about all your social media posts. Once published it will be too late to change your mind. Follow these rules and seek further guidance if you need it.

Inappropriate Use of Social Media by Others

Anyone receiving threats, abuse or harassment via their use of social media should report it to the police.

Other inappropriate content can be reported to the social media site directly to ask for it to be removed.

You may wish to save a screenshot in the circumstances.

APPENDIX 6

PROCEDURE FOR DEALING WITH CONDUCT ALLEGATIONS

Introduction

1. The Council is committed to promoting and maintaining high standards of conduct by all Councillors and Co-opted Members and has adopted a Code of Conduct which all of its members must adhere to.
2. This procedure covers complaints made against Councillors and Co-optees who are alleged to have breached the Code.

Responsibilities

3. Any complaints should be addressed to the Monitoring Officer who will consider the matter.
4. An Independent Person appointed by Council will be consulted on any matter that is referred to the Governance and Ethics Sub-Committee. The Governance and Ethics Sub-Committee must take the Independent Person's views into account before making a decision on an allegation that is subject to investigation and formal hearing.
5. The member who is the subject of a complaint may consult the Independent Person in respect of the complaint.

Receiving the complaint

6. Any complaint must be made in writing. The complaint should include details of:
 - a. the complainant's name, address and other contact details
 - b. the complainant's status, for example, member of the public, fellow member or officer
 - c. who the complaint is about and
 - d. the alleged misconduct including, where possible, dates, witness details and other supporting information
 - e. whether the complainant is willing for their name to be disclosed to the person who the complaint is about

Initial considerations

7. The Monitoring Officer will check that the complaint relates to a serving member of the Council or a Co-optee and could amount to a breach of the Code and is therefore valid.
8. If the complaint is not valid the complainant will be informed that no further action will be taken.

9. Where the complaint falls under the scope of one of the Council's other complaints procedures, the Monitoring Officer may refer the complaint on to the Complaints and Information Team for investigation.

Consideration of the complaint

10. The Monitoring Officer can decide to:

- a. Take no further action, for example where the complaint is in the Monitoring Officer's opinion frivolous, vexatious or so minor that it would be disproportionate use of resources to take further action
- b. Consult with the Chair of Governance and Ethics Committee before deciding whether to take further action
- a.c. Consult with a cross-party panel of Governance and Ethics Committee Members before deciding whether to take further action
- b. ~~Refer the complaint to the Councillor's political Group in order for it to be dealt with under the Group's discipline rules or agreed process, in which case the political Group will be required to report back on the outcome for the sake of transparency~~
- e.d. ~~Seek to resolve the issue through mediation, explanation, or by the Councillor or Co-optee agreeing to make an apology~~
- d.e. ~~Seek to resolve the issue through mediation, explanation, or by the Councillor or Co-optee agreeing to make an apology~~
- e.f. ~~Fully investigate the complaint further before deciding on the most appropriate course of action and refer to the Conduct Committee for formal decision~~
- f.g. ~~Refer the complaint to the Conduct Governance and Ethics Sub-Committee for a decision on which of the above courses of action to take formal hearing~~

11. The Monitoring Officer will inform the relevant Councillor or Co-optee that the complaint has been received and, unless the complainant objects, the identity of the complainant.

12. All complaints will be dealt with within a reasonable time period.

13. The Monitoring Officer will keep the relevant Councillor or Co-optee and the complainant up to date with the progress and outcome of the complaint.

14. Where the complaint is fully investigated and referred to the Conduct Governance and Ethics Sub-Committee for a formal hearing, the relevant Councillor or Co-optee and the complainant will be given reasonable notice.

15. There is a presumption that Conduct Governance and Ethics Sub-Committee meetings will be open to the public, but in some circumstances members of the public may be excluded where exempt information is being discussed.

16. The Council's appointed Independent Persons will be entitled to attend all Conduct Governance and Ethics Sub-Committee meetings and to speak if they wish, but not vote.

17. In accordance with the rules of natural justice aAt any ~~Conduct Governance and Ethics Sub-~~Committee meeting where an investigation report is to be considered and a complaint determined the complainant and the Councillor or Co-optee who is the subject of the complaint will be entitled to speak if they wish. The matter may be considered on the papers if parties do not wish to speak. The order of speaking will be as follows:

- a. Presentation of the investigation report
- b. The complainant
- c. The Councillor or Co-optee who is the subject of the complaint
- d. The Independent Person/s
- e. Members of the Committee may ask questions of speakers when they finish speaking and/or after all speakers have finished
- f. At the Chair's discretion the complainant and the Councillor or Co-optee who is the subject of the complaint may speak again to clarify issues arising during the meeting

Powers of ~~Conduct Governance and Ethics Sub-~~ Committee

18. The ~~Sub-~~Committee has authority to decide whether there has been a breach of the Code of Conduct.
19. In the event the Committee concludes that there has been a breach of the Code of Conduct, it may impose any of the following sanctions:
- a. censure the Councillor or Co-optee
 - b. recommend that Council censures the Councillor or Co-optee
 - ~~c. recommend that the Councillor be removed from a position of responsibility~~
 - ~~d. in relation to Co-optees appointed on behalf of an external organisation, recommend that the organisation removes them from that position~~
 - ~~e. recommend that the Councillor or Co-optee makes a formal apology~~
 - ~~f.c. recommend relevant training~~any other appropriate sanction available under the relevant legislation

Appeal

20. ~~There is no right of appeal under this procedure~~Any decision of the Monitoring Officer or Governance and Ethics Sub-Committee is final.

Reporting

21. All findings of the Governance and Ethics Sub-Committee will be reported on the Council's website.
22. Governance and Ethics Committee will receive regular reports on complaints considered under this Procedure, including any complaints determined by the Governance and Ethics Sub-Committee

APPENDIX 7

DISORDERLY CONDUCT

77. Councillors are expected to act in a reasonable and professional manner at Full Council, in accordance with the Code of Conduct for Councillors and Co-opted Members. Councillors should not misbehave by persistently disregarding the Chairman's ruling, or by behaving improperly or offensively, including by using offensive language or making personal remarks about individuals, or by obstructing the business of the Full Council,

78. If, at any meeting, any Councillor in the opinion of the Chairman of the County Council ~~misbehaves by persistently disregarding their ruling, or by behaving improperly or offensively, or by obstructing the business of the Full Council,~~ is in breach of Procedure Rule 77 the Chairman may warn the Councillor about their behaviour.

77-79. If following any warning a Councillor continues to breach~~If, at any meeting, any Councillor in the opinion of the Chairman of the County Council is in breach of~~ Procedure Rule 77 the Chairman may move "that [the Councillor named] should not be further heard" and ~~the motion~~, if seconded, will be voted on a vote will be taken without discussion.

78-80. If any Councillor ~~named~~ continues the misconduct after a "should not be further heard" ~~motion-vote~~ has been carried, the Chairman:

- a. may request the Councillor to leave the meeting; or
- b. may adjourn the meeting of the Full Council for any period considered necessary

79-81. In the event of a general disturbance which in the opinion of the Chairman makes business impossible, the Chairman, may adjourn the meeting for any period considered necessary and/or order that the public or a specific individual/s leave. "General disturbance" may include any action or activity by the public relating to the recording or reporting of the meeting which disrupts the conduct of the meeting or impedes other members of the public.

14 March 2018**Agenda Item: 5****REPORT OF SERVICE DIRECTOR, PLACE AND COMMUNITIES****CORPORATE RISK MANAGEMENT STRATEGY, RISK REGISTER AND RISK
MANAGEMENT POLICY****Purpose of the Report**

1. The purpose of this report is to seek committee approval for the County Council's Corporate Risk Management Strategy, and to seek approval to submit the Corporate Risk Management Policy to the Policy Committee for approval.

InformationBackground Information

2. Risk is expressed in terms of the probability of an event occurring and the consequences that follow if it does. Risk Management involves identifying and addressing potential threats and opportunities, and responding to these appropriately. The County Council's corporate risk management processes are managed through the work of the Risk, Safety and Emergency Management Board (RSEMB), under the leadership of the Service Director for Place and Communities. The RSEMB comprises representatives from all departments plus specialist support officers from emergency planning, risk and insurance and health and safety. The board meets five times each year, and Corporate Risk Management is a standing agenda item. It links into the Risk, Safety and Emergency Management Group (RSEMG) for each department and by this mechanism topics are cascaded down through the organisation and escalated up, as appropriate, from front line service delivery.
3. The County Council's approach to strategic risk management was the subject of an internal audit report in 2017. This concluded that there is "reasonable assurance" and that "risk levels are acceptable". The audit findings included a number of recommendations for which the implementation actions are being monitored by the RSEMB.

Corporate Risk Management Strategy

4. The Corporate Risk Management Strategy (**Appendix A**) was updated and approved by the RSEMB in December 2017 and by the Corporate Leadership Team in January 2018. The strategy sets out the role and purpose of Corporate Risk Management, and process used to monitor major risks affecting the County Council and maintain appropriate responses to these. The primary objective of Corporate Risk Management is identified as "to control those risks that may affect the achievement of the Council's overall Strategic Plan, and to do so in a

cost-effective manner". The strategy notes the role of the Governance and Ethics Committee to:

- Agree the risk management strategy
- Receive an annual report on the highest category risks
- Provide an annual assurance statement to stakeholders and the wider community within the Annual Governance Statement.

The Corporate Risk Register

5. The Corporate Risk Register (**Appendix B**) provides a summary scorecard of the main risks affecting the County Council at a strategic level, and assesses these in terms of their likelihood and potential impact were they to occur. It identifies measures in place to mitigate these risks and further measures that are planned for the future. Progress is monitored as part of the regular meetings of the RSEMB.
6. The current register includes eleven topics with an inherent (untreated) risk that has been evaluated as 'High', or 'Very High'. Mitigating actions have reduced the likelihood and / or impact of these risks, however the risk of 'Major failure of Information Governance remains' a 'Very High' risk at present. This risk is subject to a range of mitigating actions that will reduce the risk to 'High' during the coming weeks. Seven other risks are rated as 'High', and three are 'Medium'. The full list of risks in order of magnitude are:
 1. Major failure of Information Governance
 2. Failure to provide safe working conditions
 3. Major Supplier or Supply Chain Failure (including Contract Management failure)
 4. Inability to deliver critical services due to a sustained business interruption
 5. Failure to deliver the transformation programme and maintain critical services
 6. Failure to protect vulnerable children and young people
 7. Failure to deliver an effective Medium Term Financial Strategy
 8. Prolonged loss of ICT
 9. The move to greater financial self-sufficiency leaves the Council with significant new burdens and/or a financial shortfall
 10. Failure to respond effectively to a prolonged major emergency in the Community
 11. Failure to protect vulnerable adults at risk of harm

Political Reporting

7. The terms of reference for the Governance and Ethics Committee include that the committee has responsibility for the Council's risk management strategy. They also include that the Committee is responsible for Policy development in relation to governance and ethics, subject to approval by the Policy Committee or the Full Council. Accordingly, with the approval of the Governance and Ethics Committee, the Risk Management Policy (contained within the risk management strategy) will be reported to the Policy Committee for approval.

Statutory and Policy Implications

8. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required

Financial Implications

9. There are no specific financial implications arising from this report. However, it is worthy of note that sufficient and appropriate risk management ensures the avoidance of unnecessary costs arising from foreseeable issues. It also helps to enable benefits to be realised from opportunities available to the County Council.

RECOMMENDATION/S

10. It is recommended that:

- 1) Approval is given for the County Council's Corporate Risk Management Strategy;
- 2) Approval is given to seek Policy Committee approval for the proposed Corporate Risk Management Policy.

Derek Higton
Service Director, Place and Communities

For any enquiries about this report please contact:

Robert Fisher, Group Manager, Emergency Planning and Registration
Tel: 0115 977 3681, Email: robert.fisher@nottsc.gov.uk

Constitutional Comments [SLB 13/02/18]

11. Governance and Ethic Committee is the appropriate body to consider the content of this report.

Financial Comments [SES 13/02/18]

12. There are no specific financial implications arising directly from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All

Risk Management Strategy (Version 7.1, December 2017)

1.0 Vision

- 1.1 Our risk management vision is to ensure a strong, self-confident and proud County Council, that maximises its opportunities and manages its exposure to risks in a pragmatic and cost-effective manner.

2.0 Background

- 2.1 Risk is the combination of the probability of an event occurring and the consequences if it does.
- 2.2 Risk management is the process of identifying and addressing risks to ensure the effective management of potential threats and opportunities. Risk management should be a continuous and developing process which runs through the County Council's corporate strategy and through implementation of that strategy.
- 2.3 The primary objective of the County Council's Corporate Risk Management Strategy is to ***control those risks that may affect the achievement of the Council's overall Strategic Plan, and to do so in a cost-effective manner.*** Accordingly, the Corporate Risk Management Strategy assists the Council to make informed decisions, increases the likelihood of meeting its objectives, and helps it to respond effectively and efficiently to new challenges and opportunities.
- 2.4 All Members and employees have an implicit responsibility to have regard to risk in carrying out their duties. Such risk, if uncontrolled, could result in a drain on resources that could better be directed to the delivery of frontline service provision, and to the meeting of the Council's strategic objectives.
- 2.5 This does not mean that the County Council is averse to taking risks; rather it encourages the consideration of risk taking to exploit the potential of positive opportunities.
- 2.6 The Risk Management Strategy is an important element of the overall governance of the County Council. Its role is emphasised within the Financial Regulations of the authority (Section 11 – 'Risk Management and Insurance') and the Constitution identifies the need to manage the risks associated with projects over £0.25m in value. The Corporate Risk Management Strategy and the Corporate Risk Register and are both available on the County Council's intranet as follows:

<http://intranet.nottscc.gov.uk/financeadmin/corporateriskmanagementstrategy/>

- 2.7 The Risk, Safety & Emergency Management Board (RSEMB) maintains the Strategy under continual review, and a full refresh is made on a four year cycle, following the establishment of a new strategic plan. The Corporate Leadership Team is asked to endorse the strategy, which will then be reported to the Governance and Ethics Committee.

3.0 Risk Management in the context of the Strategic Plan

- 3.1 The County Council's vision and priorities for 2017 – 2021 are articulated in the Council Plan:

Your Nottinghamshire Your Future

This sets out the aspiration that Nottinghamshire is a great place to:

- Bring up your family
- Fulfil your ambition
- Enjoy later life
- Start a grow your business

- 3.2 The Council may fail to achieve its vision and priorities because it is exposed to a range of risks. These can be financial risks, risks to projects, risks to the services we deliver, risks to the public and other stakeholders, risks from missed opportunities, risks from policy failures and risks to our reputation. Failure to manage these risks effectively can affect our performance across all of our services and activities.

- 3.3 Risk management is a key element of the framework of corporate governance and good strategic planning and is integral to the successful achievement of the County Council's vision. The process of risk management must run through the implementation of the Council's Strategic Plan, through:

- systematically identifying risks and opportunities as part of service planning and commissioning at all levels
- evaluating the potential consequences of risks, including the value of associated opportunities
- eliminating risks where cost effective to do so
- taking appropriate actions to control the likelihood of risks arising and reducing the impact if they do
- having appropriate arrangements in place to manage financial consequences of risk

- 3.4 In doing this, the Council will be mindful of the risks our partners and supplier are exposed to and how they are managing these.

- 3.5 A key part of ensuring integration of risk management in the County Council's activities is to have an effective risk management structure for reporting of risk at different levels. The risk management and reporting

structure for the County Council is outlined in Section 4.

4.0 Risk Management framework and reporting

4.1 The diagram at Annex 1 illustrates the risk management reporting structure in place for Nottinghamshire County Council. This is that the process of risk management is overseen by the 'Risk, Safety and Emergency Management Board' (RSEMB) and is facilitated by the emergency planning team. Membership of the Board comprises:

- Service Director – Place and Communities (RSEMB Chair)
- Service Director – Communications and Marketing
- Chairs (or representatives) of departmental 'Risk Safety and Emergency Management Groups'
- Group Manager, Emergency Planning and Registration
- Health and Safety Manager
- Risk and Insurance Manager
- Representatives of key services supporting business continuity work (Property, Facilities, Information Technology, Human Resources, Communications and Marketing and the Customer Service Centre)
- Via representative

4.2 The RSEMB is responsible for reviewing and updating the Corporate Risk Register (CRR) at regular intervals, and reviewing the Corporate Risk Management Strategy when deemed necessary, and no less than every four years. The CRR will be tabled at every RSEMB meeting. A detailed review will be made annually, plus a six month mini-review. The outcome of the annual review and mini-review will be reported to Corporate Leadership Team linking in with quarterly performance reports to CLT.

4.3 The chair of the RSEMB and the Group Manager for Emergency Planning and Registration take regular update reports to Corporate Leadership Team (CLT), highlighting key issues arising from the work of the Board. The chair of the RSEMB will also provide annual update reports to the Governance and Ethics Committee.

4.4 Each department has a 'Risk, Safety and Emergency Management Group' (RSEMG). The RSEMGs are responsible for having an overview of risk management in the department and maintaining a departmental risk register and/or Divisional Risk Registers where these are deemed appropriate.

4.5 Risks identified as 'high' or 'very high' from service level risk assessments are to be reported to the departmental RSEMG for possible inclusion on the departmental risk register. Risks identified as 'medium' or 'low' will be treated or tolerated by the department, following the Risk Assessment Procedure that accompanies the Risk Management Strategy.

4.6 The role of the County Council's Risk and Insurance Manager focuses on

operational risks (particularly relating to insurance cover) and the reduction of incidents of loss of life, personal injury and physical loss suffered by the County Council.

5.0 The Corporate Risk Register

5.1 The Corporate Risk Register identifies the main risks to the County Council at a strategic level. The Corporate Risk Register is maintained in accordance with recognised good practice and:-

- Addresses the activities and aspirations of the organisation
- Identifies the key strategic risks that exist
- Assesses the risks for potential frequency and severity
- Prioritises the risks identified
- Identifies current processes for reducing the risk
- Identifies new processes or actions to further reduce the risks
- Identifies a 'Risk Owner' and 'Action Manager' for each risk
- Builds in monitoring and re-evaluation processes.

5.2 The Corporate Risk Register is available on the County Council's Intranet website as follows.

<http://intranet.nottsccl.gov.uk/financeadmin/corporateriskmanagementstrategy/>

Progress on actions is monitored routinely (in line with above) as part of the regular meetings of the RSEMB, and a thorough review of the Register is undertaken annually. The Corporate Risk Register is monitored by the Corporate Leadership Team and an annual report is taken to the Governance and Ethics Committee.

5.3 The requirements of the Risk Management Strategy are reflected in the Council's Strategic Management Framework.

6.0 Interface between Corporate Risks and Operational Risks

6.1 Whilst 'Corporate Risks' relate to the strategic judgements about medium and long-term goals of the County Council, 'Operational Risks' concern the day-to-day issues that managers are faced with when delivering and commissioning services.

6.2 The Council has a long tradition of effective and efficient management of operational risk. These activities are coordinated across all departments (and with key external partners) through the work of Departmental Risk, Safety & Emergency Management Groups. This process is led by the Risk and Insurance Manager, who is a member of the Risk, Safety & Emergency Management Board.

6.3 Corporate risk issues arising through the work of the departmental risk management groups, and the Council's Health and Safety processes, are

passed to on the Risk, Safety & Emergency Management Board for consideration and inclusion in the Corporate Risk Register as appropriate.

7.0 Service Planning and Commissioning

- 7.1 Risk management is an integral part of service planning and commissioning at corporate, departmental, divisional and service level. When considering objectives, managers should consider what risks are associated with each objective which may impact on its delivery. An analysis of the impact and likelihood of each risk should be undertaken, and whether actions should be taken to reduce, transfer, mitigate or accept the consequences of the risk.
- 7.2 Risks which are identified as High or Very High should be reported up to the departmental 'Risk, Safety and Emergency Management Group' for discussion and possible inclusion on the departmental risk register.

8.0 Complementary Structures and Strategies

- 8.1 In fulfilling its responsibilities, the RSEMB will take account of outcomes from the 'Health and Safety Compliance Board' and the 'Information Management Group'
- 8.2 This Risk Management Strategy sits alongside and should be considered in conjunction with a number of other strategic documents, including:
- Medium Term Financial Strategy
 - Health and Safety Strategy
 - Business Continuity Strategy
 - Major Emergency Plan
 - Local Resilience Forum Constitution
 - Local Resilience Forum Community Risk Register
 - HR Strategy
 - Information governance policy framework

9.0 Roles and Responsibilities

- 9.1 The County Council's Governance and Ethics Committee are responsible for:
- Agreeing the risk management strategy
 - Receiving an annual report on the highest category risks
 - Providing an annual assurance statement to stakeholders and the wider community within the Annual Governance Statement
- 9.3 The Chief Executive has overall responsibility for corporate risks, including:
- Ensuring the risk management policy (see Annex 2) and strategy are implemented throughout the County Council
 - Ensuring there is an effective mechanism for identifying, managing

- and reporting risk
- Ensuring that corporate directors consider risks and opportunities associated with issues and decisions affecting the County Council

9.4 Members of the Corporate Leadership Team are responsible for:

- Promoting effective risk management throughout the Council
- Undertaking risk management process for corporate / strategic risks
- Monitoring actions in relation to the highest risk categories
- Reviewing the Corporate Risk Management Strategy
- Reviewing service based risk management processes
- Ensuring that departmental service plans contain an appraisal of risks to service delivery

9.5 The Risk, Safety & Emergency Management Board are responsible for:

- Providing overview and leadership in Corporate Risk Management
- Ensuring preparedness against corporate risks
- Maintaining and developing the Corporate Risk Register

9.6 Risk, Safety & Emergency Management Groups are responsible for:

- Providing an overview of risk management in departments
- Ensuring preparedness against departmental risks
- Maintaining and developing Departmental Risk Registers
- Feeding risks up from departments to the Risk, Safety and Emergency Management Board if appropriate

9.7 'Risk Owners' have:

- Overall responsibility for ensuring that adequate controls and mitigations exist or are being developed to minimise the chance of harm to the County Council's business

9.8 'Action Managers' are responsible for:

- Ensuring that necessary processes and projects are in place (and operating effectively) to maintain existing mitigations and develop new ones
- Providing update reports as requested by Corporate Leadership Team

9.9 Service Directors are responsible for:

- Providing leadership and ensuring risk management is embedded in divisional service planning and commissioning
- Monitoring and taking action to reduce risks they are accountable for as identified in Corporate or Departmental Risk Registers
- Engaging with partners and suppliers to ensure they are managing their risks effectively, and that they are mindful of the County Council's risks.

9.10 Group Managers are responsible for:

- Providing leadership and ensuring risk management is embedded in service planning and commissioning
- Ensuring that managers carry out risk assessments as part of service based business or operational planning and that such risks are regularly monitored
- Feeding information on risks identified to the departmental Risk, Safety and Emergency Management Group when appropriate
- Fulfil the responsibilities of the role of Information asset managers

9.11 Managers are responsible for:

- Carrying out risk assessments as part of service based business or operational planning and monitoring these risks
- Ensuring staff have an appropriate awareness of risk management principles and training if required

9.12 All staff and Members should have an appropriate level of understanding of risk, and how risk affects the performance of the Council, and where relevant apply the principles of effective risk management in their work.

9.13 Internal Audit are responsible for:

- Reviewing Corporate Risk Register and risk management process
- Commenting upon any significant internal control issues

10.0 Training Strategy

10.1 Training provided to County Council staff relating to risk management has included:

- Risk assessment training for staff involved in operational risks
- Health and Safety training
- Information Governance training
- Workforce development training
- Practical business continuity and risk management training (currently under review in terms of mechanism for delivery)

10.2 The training provision for risk management is under continual review to ensure a more integrated and balanced approach to operational and strategic risk management across the County Council.

11.0 Communications Strategy

11.1 An important element of ensuring a coordinated risk management approach across the County Council is to communicate the risk management strategy and tools effectively to all staff and managers. This communications strategy outlines how this will be done.

11.2 The following methods will be used to communicate the Policy and Strategy:

- Information on the Intranet with links to the full document
- Dissemination through departmental RSEMGs
- Briefings to Corporate Leadership Team
- Briefings to Policy Committee
- Risk management and risk assessment training

11.3 The following methods will be used to communicate the Risk Register:

- Intranet page providing a link to the latest version of the Register
- Dissemination through departmental RSEMGs
- Regular reporting of updates to Corporate Leadership Team
- Risk management training

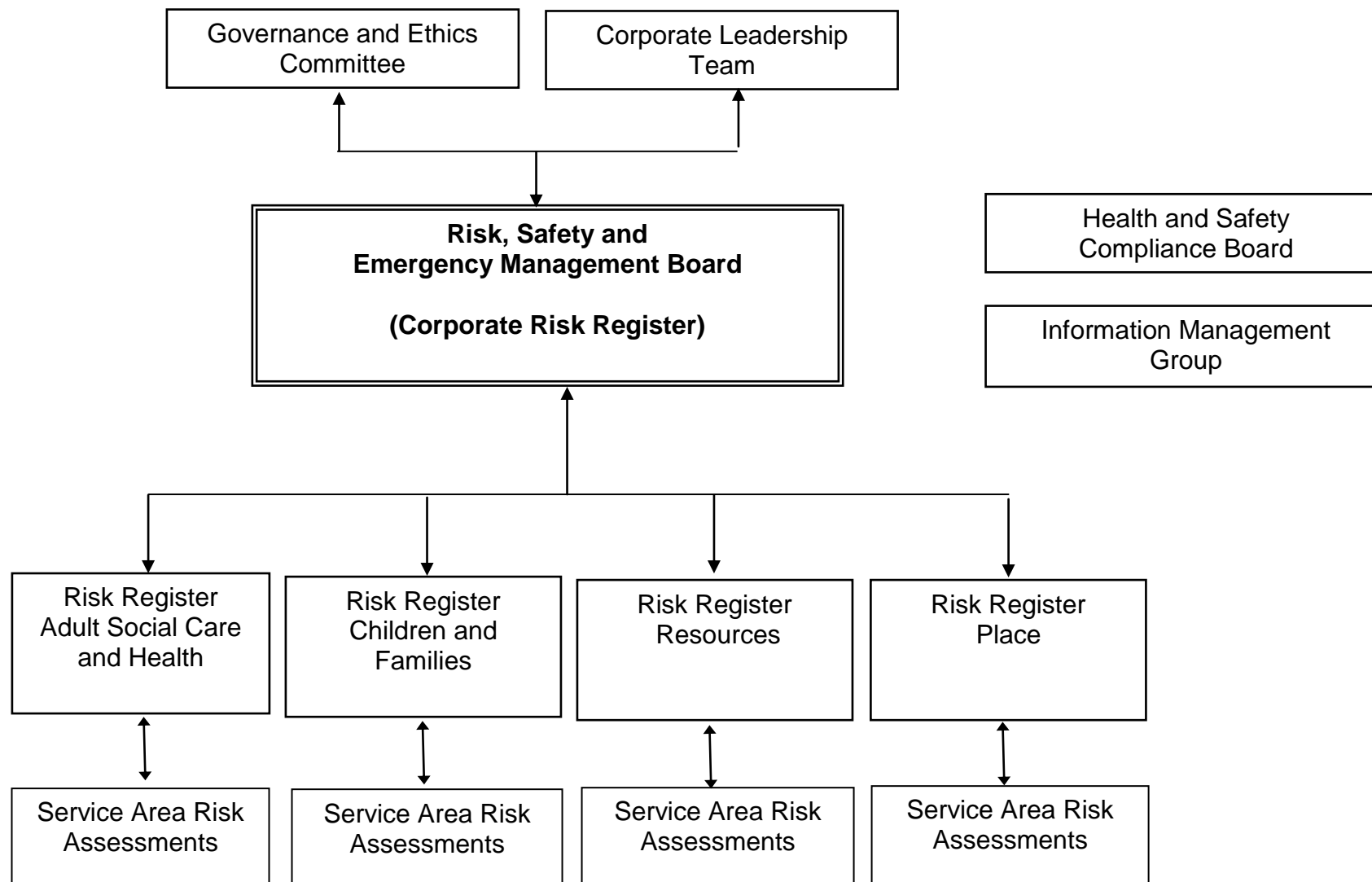
11.4 Departmental Risk Registers should be disseminated throughout the department to managers who may need to be aware of the contents of the register in their service or project planning. This may be done through:

- Specific emails to managers
- Department team briefings
- Manager or leadership team events

11.5 Guidance is provided for managers to assist them in assessing risks from a service perspective and producing a risk register. This guidance is communicated through:

- Availability of information on the Managers' Resource Centre on the intranet
- Risk management and risk assessment training

Annex 1: Risk management structure in Nottinghamshire County Council



Annex 2: Nottinghamshire County Council Risk Management Policy

This policy document summarises the approach to delivery of the Corporate Risk Management Strategy

Nottinghamshire County Council is committed to embedding a culture of risk management awareness throughout the County Council, and adopting a sensible and balanced approach to risk in order to:-

- Safeguard its employees, service users, members, pupils, tenants and all other persons to whom the Council has a duty of care
- Ensure compliance with statutory obligations
- Preserve and enhance service delivery
- Manage the budget effectively and be cost effective
- Protect its physical assets and resources
- Maintain effective control of public funds
- Promote the image and reputation of the Council
- Support the quality of the environment

The County Council recognises that risk management can identify both threats and opportunities. By identifying and managing our threats effectively, we will be in a stronger position to deliver the Council's strategic plan and business objectives. By managing our opportunities, we will be in a better position to deliver improved services that represent good value for money.

It is the responsibility of all members, employees and partners to be aware of risk in carrying out their duties and ensure that risks are taken in a structured and well managed manner. It should be recognising that such risk, if uncontrolled, can result in a drain on resources that could be better directed to service provision and achieving the Council's objectives.

The Corporate Risk Management Strategy outlines how the County Council will achieve an embedded risk management process.

This policy has the full support of the Council Members and Chief Executive, and the effectiveness of this policy will be reviewed at regular intervals.

Appendix B

Relative Impact	Catastrophic	(5)	M	H	VH	VH	VH
	Significant	(4)	M	H	VH	VH	VH
	Moderate	(3)	M	M	H	H	H
	Minor	(2)	L	L	M	M	M
	Insignificant	(1)	L	L	L	L	L
			Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost certain (5)
Relative Likelihood							

LIKELIHOOD		
1	Rare	0 to 5% chance
2	Unlikely	6 to 20% chance
3	Possible	21 to 50% chance
4	Likely	51 to 80% chance
5	Almost certain	81%+ chance

IMPACT		
1	Insignificant	0 to 5% effect
2	Minor	6 to 20% effect
3	Moderate	21 to 50% effect
4	Significant	51 to 80% effect
5	Catastrophic	81%+ effect

No.	Risk Description	Inherent Risk	Current Risk	Sources and Triggers	Possible Consequences	Current Controls / Mitigations	Additional Controls and Actions Required	Timescale	Residual Risk	Risk Owner	Action Manager
1	Major failure of Information Governance	Very high L - 4 I - 5	Very High L - 4 I - 4	<p>Information Governance failure (e.g. loss of mobile device / inappropriate sharing of personal information relating to customers)</p> <p>Information management failure (e.g. inappropriate transfer of information as part of outsourcing of services)</p> <p>Failure to organise information effectively</p> <p>Inappropriate retention or destruction of information</p> <p>Failure to implement outcomes from risk assessments</p> <p>Security breaches, including those due to cyber attacks</p> <p>Unauthorised access to NCC systems</p> <p>Absence of appropriate data processing agreements during procurement exercises or where NCC processes third-party data</p>	<p>Physical, emotional or financial harm to member of the public or staff</p> <p>Failure to meet a statutory obligation</p> <p>Litigation against the Council</p> <p>Loss of reputation</p> <p>Financial cost to authority (e.g. loss of revenue through fraud, compensation payments or fines levied by the Information Commissioner)</p> <p>Impact on service delivery</p>	<p>Process for information sharing agreements (inc templates)</p> <p>Systems for mgmt and monitoring of starters & leavers</p> <p>Corporate policies / procedures</p> <p>Information Governance Group and Information Management Group and corporate framework</p> <p>Periodic audit inspections</p> <p>Centrally monitored mandatory training for all staff at induction and refreshed biennially</p> <p>GCSX Code of Connection and Cryptshare secure email facilities</p> <p>PSN Code of Connection Compliance inc health checks of the ICT estate</p> <p>Information Governance Toolkit annual compliance</p> <p>Use of Bit Locker encryption for all mobile and portable ICT devices</p> <p>Regular awareness raising via TeamTalk and ELTs</p> <p>Privacy impact assessment process</p> <p>Risk Assessment process introduced in September 2016 and used for new systems procured and /or implemented.</p>	<p>Effect improvements to systems for mgmt and monitoring of starters and leavers</p> <p>Information Strategy Implementation Plan 2014 -2018</p> <p>Completion of Phase 1 of the IG Improvement Plan (IGIP)</p> <p>Adoption and rollout of NCC Retention Schedule</p> <p>Review of Privacy Impact assessment process</p> <p>General Data Protection Regulations implementation</p> <p>Completion of Phase2 of the IG Improvement Plan (IGIP)</p>	<p>Sept 2019</p> <p>April 2018</p> <p>Sept 2018</p> <p>Feb 2018</p> <p>April 2018</p> <p>May 2018</p> <p>Sept 2019</p>	High L - 3 I - 3	Corporate Director, Resources Jayne Francis-Ward	Group Manager, Legal, Democratic and Complaints Heather Dickinson

No.	Risk Description	Inherent Risk	Current Risk	Sources and Triggers	Possible Consequences	Current Controls / Mitigations	Additional Controls and Actions Required	Timescale	Residual Risk	Risk Owner	Action Manager
2	Failure to provide safe working conditions (property / environment / equipment / working practices)	Very High L - 5 I - 5	High L - 2 I - 5	<p>Management of vacant properties</p> <p>Uncontrolled hazards (asbestos / legionella / other hazards)</p> <p>Uncontrolled fire safety issues, inc at schools and care homes.</p> <p>Serious injury to NCC staff arising from work activities.</p> <p>Failure to exercise duty of care</p> <p>Lack of clarity / awareness regarding staff responsibilities / NPO role</p> <p>Reduced expenditure on building maintenance</p> <p>Ineffective Implementation of NCC Smarter Working initiatives</p> <p>Failure to supply and inspect appropriate and safe equipment</p> <p>Inappropriate contracting arrangements and manangement</p> <p>Failure to design safety</p> <p>Failure to inspect and maintain grounds / outdoor environment (including at schools)</p>	<p>Death, injury or illness of members of staff, service users or the public(including unauthorised users)</p> <p>Judicial review</p> <p>Litigation against the Council</p> <p>Enforcement action e.g. HSE, Fire, Environment Agency</p> <p>Loss of reputation</p> <p>Inability to deliver services</p> <p>Increased costs</p>	<p>E-Learning around asbestos</p> <p>Demolition planning</p> <p>Corp. Property Strategy / Asset Mgmt Strategy / Corp. Asset Mgmt Plan / Annual Property Plan / R & M strategy/ suitability assessments</p> <p>OHSAS 18001 Mngt System</p> <p>Planned maintenance programme</p> <p>H&S strategy, working arrangements, audits and Compliance Board</p> <p>Effective service development</p> <p>Smarter Working' / property related service reviews / office refurbishment</p> <p>Asbestos mgmt surveys and local asbestos management plans</p> <p>Control of contractors compliance</p> <p>Property and safety audit Action Plans / NPO process review</p> <p>Use of P2</p> <p>Management of Surplus / Vacant Property List</p> <p>IAgreed responsibility for statutory inspections</p>	<p>Completion of review of property service functions</p> <p>Implementation of outcomes from review of property service functions</p>	<p>Spring 2018</p> <p>Summer 2018</p>	High L - 2 I - 5	Corporate Director, Place Adrian Smith	Service Director, Place and Communities Derek Higton

No.	Risk Description	Inherent Risk	Current Risk	Sources and Triggers	Possible Consequences	Current Controls / Mitigations	Additional Controls and Actions Required	Timescale	Residual Risk	Risk Owner	Action Manager
3	Major Supplier or Supply Chain Failure (including Contract Management failure)	Very High L - 5 I - 4	High L - 3 I - 3	Poor contract specifications Compliance failure Quality / cost fraud Major supplier goes out of business Failure of supplier to fulfil contract (e.g Virgin Media in respect of internet outage) Market volatility Energy dispute / disruption of supply	Increased costs Loss of reputation Litigation Inability to deliver key services	Devolved contract management with support and guidance from Procurement Centre Business Continuity Plans Category Managers Market management Active Contract Management Adult Social Care Procurement Group Risk assessment of possible failure Local Fair Price for Care Implemented Supply chain management East Mids Property Alliance LRF/Category 2 critical infrastructure plans Dunn and Bradstreet checks on suppliers Category managers working closer with suppliers market and commissioners Contracts database Councillors oversight via the Finance and Major Contracts Management Committee	Overview of managers work to review and refresh existing contracts Implement outcomes of Internal Audit of Contract Management	Ongoing To be advised	High L - 3 I - 3	Service Director, Finance, Procurement and Improvement Nigel Stevenson	Group Manager, Procurement Clare Winter (noting the role of individual managers)

No.	Risk Description	Inherent Risk	Current Risk	Sources and Triggers	Possible Consequences	Current Controls / Mitigations	Additional Controls and Actions Required	Timescale	Residual Risk	Risk Owner	Action Manager
4	Inability to deliver critical services due to a sustained business interruption	Very High L - 4 I - 5	High L - 3 I - 3	<p>Reduced capacity within reducing workforce</p> <p>Loss of premises / staff / ICT / telecomms / utilities (gas/electricity/water) / key suppliers and / or key resources (e.g.fuel)</p> <p>Breakdown of industrial relations locally or nationally</p> <p>Lack of understanding of what is critical / Failure to prioritise Council services correctly</p> <p>Inadequate Business Continuity Planning and Preparations (e.g. for relocation of critical services)</p> <p>Sustained response to significant civil emergency or other external challenge</p> <p>Failure of Academy Schools, external providers, and suppliers to have adequate insurance and business continuity arrangements.</p>	<p>Inability to deliver critical services / business as usual</p> <p>Harm to staff, service users and the public</p> <p>Failure to protect and safeguard people at risk</p> <p>Failure to protect health and safety of people and buildings</p> <p>Failure to maintain the transport network</p> <p>Failure to maintain ability to pay employees and suppliers</p> <p>Reduced ability to deliver the aspirations in the Strategic Plan</p> <p>Loss of reputation</p> <p>Reduced confidence in the ability of the Council to deliver services</p>	<p>Corporate business continuity plan, plus specific plans</p> <p>List of critical services</p> <p>Business Impact Analyses</p> <p>HR Guidance - managing industrial action</p> <p>Business Continuity Plans for Critical Services</p> <p>Insurance (including contingencies for Academy Schools)</p> <p>ICT BC Plans</p> <p>Monitoring by Risk, Safety and Emergency Management Board and RSEM Groups</p> <p>Smarter Working Programme</p> <p>Control of contractors / contract management</p> <p>MTFS processes have been subject to satisfactory Internal Audit review</p>	<p>Continual review of Business Continuity Plans for all critical services by plan authors.</p> <p>Corporate Business Continuity Exercise</p>	<p>Continuous process</p> <p>February 2018</p>	Low L - 2 I - 2	Chair of RSEMB, Derek Highton	Group Manager, Emergency Planning and Registration Rob Fisher

No.	Risk Description	Inherent Risk	Current Risk	Sources and Triggers	Possible Consequences	Current Controls / Mitigations	Additional Controls and Actions Required	Timescale	Residual Risk	Risk Owner	Action Manager
5	Failure to deliver the transformation programme and maintain critical services	Very High L - 4 I - 4	High L - 3 I - 3	Failure to comply with legislative requirements Lack of funding to support delivery of the business cases Short-term planning / inadequate horizon scanning Undue pace of change Insufficient cultural change within the organisation Unanticipated major increase in organisational costs Unanticipated external costs Reduction in number and value of funding streams Suitability of ICT systems Insufficient staff capacity Failure to identify interdependencies and unintended consequences	Poor performance Overspending Lack of robustness in budget monitoring systems Inability of the organisation to sustain critical services in the long term Loss of reputation Failure to recover capital receipts	Interim Senior Management Structure Projects and Programme Team KPIs, metrics, Programme Governance, reporting arrangements and reviews Project risk management processes Budget planning and control arrangements Medium-term financial strategy Implementing LEAN+ review of business processes Regular reports to and monitoring by CLT, Policy Committee and Finance & Property Committee Effective ongoing learning, contract management and rigorous management of pressures	Delivery of Programmes	2018 / 19	Low L - 2 I - 2	Chief Executive Anthony May	Corporate Director, Resources Jayne Francis-Ward

No.	Risk Description	Inherent Risk	Current Risk	Sources and Triggers	Possible Consequences	Current Controls / Mitigations	Additional Controls and Actions Required	Timescale	Residual Risk	Risk Owner	Action Manager
6	Failure to protect vulnerable children and young people	Very High L - 3 I - 5	High L - 2 I - 4	<p>Child death</p> <p>Allegations of historic abuse</p> <p>Child Sexual Exploitation</p> <p>Increasing demand for Children's Social Care and resulting budget pressures</p> <p>Inappropriate case management/insufficient management control</p> <p>Failure to recruit and retain experienced / qualified staff</p> <p>High levels of sickness absence</p> <p>Partners not working together effectively / lack of clarity between partners</p> <p>Insufficiently robust contract monitoring</p> <p>Poor data quality</p> <p>Data loss/leakage</p> <p>Full statutory inspection due in 2018</p> <p>Social worker caseloads become too high</p>	<p>Harm to children, young people and families</p> <p>Serious Case & Domestic Homicide reviews</p> <p>Harm to staff</p> <p>Cost to the authority</p> <p>Cost to society</p> <p>Reputational damage to the authority</p> <p>Increased and / or inappropriate referrals into Children's Social Care</p> <p>Judicial review</p> <p>Litigation</p> <p>Failed inspections under regulatory framework</p>	<p>Most recent Ofsted inspection in 2015 was "Good"</p> <p>Co-operation with, and participation in, the Independent Inquiry into Child Sexual Abuse</p> <p>Sufficient SW capacity, use of workload management tools</p> <p>Safer recruitment policy, tracking DBS renewals & HCPC regs</p> <p>Use of agency social workers - vacancies and long term absences</p> <p>Development of recruitment and retention incentives - MFS and SWSO posts</p> <p>Safeguarding policies / procedures / training</p> <p>Advanced practitioner support</p> <p>Effective safeguarding arrangements and challenge via Local Safeguarding Children Board</p> <p>Well-established Pathway to Provision and Children's Trust</p> <p>Continued development of early help services to work alongside core child protection arrangements</p> <p>Robust QA Framework and review of performance data</p>	<p>Closer alignment of the MASH (Multi Agency Safeguarding Hub) and the Early Help Unit</p> <p>Ongoing work to manage caseloads and keep them at a manageable level</p> <p>Continue to develop the integrated assessment framework and toolkit across children's services</p>	Monthly review	High L - 2 I - 4	Corporate Director, Children and Families Colin Pettigrew	Service Director, Children's Social Care Steve Edwards

No.	Risk Description	Inherent Risk	Current Risk	Sources and Triggers	Possible Consequences	Current Controls / Mitigations	Additional Controls and Actions Required	Timescale	Residual Risk	Risk Owner	Action Manager
7	Failure to deliver an effective Medium Term Financial Strategy	Very High L - 3 I - 5	High L - 2 I - 4	<p>Failure to create strategy - insufficient savings proposals identified</p> <p>Failure to approve budget proposals at Full Council meeting</p> <p>Failure to identify pressures / funding cuts in time to react</p> <p>Failure to monitor in-year budget effectively / understand cost drivers</p> <p>Failure to react to changes in Central Government Policy</p> <p>Failure to obtain necessary information from District Councils (taxbase, NNDR, etc)</p> <p>Failure to complete Equality Impact Assessments</p> <p>Failure to consult on Budget proposals</p> <p>Key resources not being available</p> <p>Failure to deliver capital receipts</p> <p>Accuracy of financial planning and budget monitoring</p> <p>Historical liabilities, such as historical child abuse</p>	<p>County Council General Fund balance falls below acceptable level</p> <p>Renegotiation of debt at higher rates</p> <p>Risk to services if sudden termination of services made without due planning (issues on meeting minimum statutory requirements)</p> <p>Risk of legal action if Council fails to deliver services or give due regard to impact</p> <p>Reputational issues / credibility of officers</p> <p>Short term decision making resulting in lack of investment in key areas</p> <p>Failure to meet statutory requirement in setting a balanced budget</p>	<p>Continual review of budget monitoring process and the effectiveness of the finance function</p> <p>CLT oversight of budget process, CLT briefings and peer challenge</p> <p>Annual review of the Base Budget</p> <p>Obtain external support where necessary</p> <p>Finance review of savings proposals</p> <p>Review of appropriate reserves levels</p> <p>Regular Member briefings (Majority and opposition groups)</p> <p>Quality information for effective decision making at short notice</p> <p>Regular budget monitoring reporting to CLT and F&P Committee</p> <p>Budget timetable with identified responsibilities</p> <p>Budget Consultation in progress</p> <p>Regular contact with District Councils</p> <p>Attendance at SCT and other confs</p> <p>Attendance at SCT Briefings / environmental analysis and other events</p> <p>Continual improvements in financial management across the Council</p>	No further actions at this time		High L - 2 I - 4	Corporate Director, Resources Jayne Francis-Ward	Service Director, Finance, Procurement and Improvement Nigel Stevenson

No.	Risk Description	Inherent Risk	Current Risk	Sources and Triggers	Possible Consequences	Current Controls / Mitigations	Additional Controls and Actions Required	Timescale	Residual Risk	Risk Owner	Action Manager
8	Prolonged loss of ICT	Very High L - 4 I - 4	High L - 2 I - 4	Data Integrity Issues Security breaches - Systems attack (hacks, malware and viruses) Infrastructure failure (hardware or software) Inadequate ICT resilience Inadequate safeguards in respect of theft / cloning of a mobile devices	Loss of ICT: i) systems ii) data iii) access/connectivity Inability to deliver critical services (e.g. safeguarding) Loss of reputation Loss of productivity Financial penalties	Business continuity arrangements for services Maintain fit for purpose Data Centre provision Ongoing infrastructure upgrade programme SLA for 99.8% availability for priority ICT systems Annual network penetration testing and PSN audit Internal audit assessments and reviews Insurance ICT Security Plan and policies Formal ICT change management process Corporate sign-off of critical systems Third party support contracts	Testing response to loss of ICT through Exercise "Zepto" Annual infrastructure refresh programme Annual PSN compliance checks and mitigating actions	Feb 2018 Ongoing Ongoing	Low L - 2 I - 2	Corporate Director, Resources Jayne Francis-Ward	Service Director, ICT Ivor Nicholson

No.	Risk Description	Inherent Risk	Current Risk	Sources and Triggers	Possible Consequences	Current Controls / Mitigations	Additional Controls and Actions Required	Timescale	Residual Risk	Risk Owner	Action Manager
9	The move to greater financial self-sufficiency leaves the Council with significant new burdens and/or a financial shortfall	Very High L - 2 I - 4	Medium L - 2 I - 3	<p>New legislation - However, the enabling legislation 'fell away' in the run up to the June 2017 General Election and no new legislation is in the current Parliamentary timetable</p> <p>Failure to understand implications of proposed changes in needs assessment, mechanics of allocations and impact of additional responsibilities.</p>	<p>Adverse impact on structure of the Council.</p> <p>Adverse impact on the MTFS</p>	<p>Systems to ensure that the Council is fully aware of all the implications of the new financial arrangements for Local Government and takes appropriate action to plan for them, both politically and managerially</p> <p>Attendance at various DCLG, LGA, CCN and relevant events</p> <p>Attendance at ACCE and SCT</p> <p>Keeping up to date on impact of other announcements on other changes to Business Rates</p> <p>Anthony May and and Nigel Stevenson continue to be involved in working groups and conversations with DCLG on this matter</p>	<p>Member of DCLG/LGA led working groups</p> <p>Active participation in consultations</p>	<p>Continuous</p> <p>Instigation in 2018/19 budget</p>	Medium L - 2 I - 3	Chief Executive Anthony May	Service Director, Finance, Procurement and Improvement Nigel Stevenson

No.	Risk Description	Inherent Risk	Current Risk	Sources and Triggers	Possible Consequences	Current Controls / Mitigations	Additional Controls and Actions Required	Timescale	Residual Risk	Risk Owner	Action Manager
10	Failure to respond effectively to a prolonged major emergency in the Community	Very High L - 3 I - 5	Medium L - 2 I - 3	Malicious threats Environmental pollution incident Industrial / transport accident Severe weather Communicable disease outbreak Incidents in crowded places	Illness / death of residents and visitors Loss of staff Diversion of resources to emergency response and recovery Infrastructure compromised Difficulty in delivering critical services Financial costs Loss of reputation Public inquiry Inability to respond and deliver business as usual	Risk, Safety and Emergency Mgmt Board and Groups Emergency Plans and the planning process Partnership working through the Local Resilience Forum LRF Community Risk Register Business Plans Staff training at Strategic, Tactical and Operational levels Exercising of emergency plans County Emergency Centre / Comms systems Business Continuity Plans Debriefing following significant Safety of Sports Grounds and Events Safety structures	Increase resilience through wider engagement with managers in all departments and ASDM Maintenance of plans and preparations Emergency Planning training event for NCC Extended Leadership Team	Review at RSEMB Meetings Monthly review To be advised	Medium L - 2 I - 3	Service Director, Place and Communities Derek Higton	Group Manager, Emergency Planning and Registration Rob Fisher

No.	Risk Description	Inherent Risk	Current Risk	Sources and Triggers	Possible Consequences	Current Controls / Mitigations	Additional Controls and Actions Required	Timescale	Residual Risk	Risk Owner	Action Manager
11	Failure to protect vulnerable adults at risk of harm	High L - 2 I - 5	Medium L - 1 I - 3	Waiting list for DoLS assessments CQC Peer Reviews Inadequate funding arising from legislative changes Insufficiently robust quality monitoring of externally provided services Poor data quality Inability to protect residents against scams Coroners Enquiries Safeguarding Adults Reviews Audits Public demand and expectations greater than NCC is able to deliver National Surveys	Death or harm to service user Harm to staff Judicial review Litigation Loss of reputation Failed inspections Inability to deliver safeguarding services	Trading Standards operations against criminality (managed via Place Dept) Monitoring how pre-payment cards are used Safeguarding policies and procedures Training for staff and independent sector providers Safeguarding Boards Safeguarding Governance Group Contract monitoring and market development Business meetings with CQC Register of Social Care Workers Multi-agency safeguarding Hub (MASH) Learning from Safeguarding Adults Reviews Quality Assurance Public Protection and Community Safety Vulnerable Persons Panels Performance Board	NSAB reviewing policy and guidance Appointment of four extra Quality Monitoring Officers 2-year Designated Adult Safeguarding Quality Assurance Manager	2018 2017 - 2019 2018 - 2020	Medium L - 1 I - 3	Corporate Director, Adult Social Care, Health and Public Protection David Pearson	Service Director, Strategic Commissioning, Adult Access and Safeguarding Paul Johnson

14 March 2018

Agenda Item: 6

REPORT OF SERVICE DIRECTOR – FINANCE, PROCUREMENT AND IMPROVEMENT

STATEMENT OF ACCOUNTS 2017/18 – ACCOUNTING POLICIES

Purpose of the Report

1. To allow the Committee to review and submit the proposed accounting policies used in creating the Authority's Statement of Accounts for 2017/18 to Policy Committee for approval.

Information

2. The Statement of Accounts includes a section explaining the accounting policies used in producing the main statements for the benefit of the reader. Both the Code of Practice on Local Authority Accounting (The Code) and our External Auditors indicate that these policies should be reviewed and agreed by the Governance and Ethics Committee prior to inclusion in the final Statement of Accounts. In line with the Council's Constitution, final approval of these policies will rest with Policy Committee.
3. As well as updating the various dates in the accounting policies the following changes have been made:
 - The accounting policies have been re-ordered to bring them into line with the Statement of Accounts themselves.
 - Accounting policies 2, 5, 6, 8, 9, 13, 15 and 21 have been amended to bring them more into line with the Code or elements have been omitted on the basis of non-materiality. Further detail of the amendments can be found in Appendix A.
 - An accounting policy has also been inserted to outline how Council Tax and NNDR income is treated.
4. The proposed 2017/18 accounting policies can be seen in Appendix B.

Other Options Considered

5. This report is for the approval of statutory required accounting policies.

Reason/s for Recommendations

6. It is considered good practice to have the Authority's accounting policies approved each year. In addition, the Code of Practice on Local Authority Accounting in the United Kingdom requires changes to the Authority's accounting policies to be approved.

Statutory and Policy Implications

7. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

That the Committee reviews the changes to the Authority's accounting policies and agrees to submit the revised policies to Policy Committee for approval.

Nigel Stevenson

Service Director – Finance, Procurement and Improvement

For any enquiries about this report please contact:

Glen Bicknell, Senior Finance Business Partner, Financial Strategy and Compliance

Constitutional Comments (KK 01/03/2018)

8. The proposals in this report are within the remit of Governance and Ethics Committee.

Financial Comments (GB 14/02/2018)

9. There are no financial implications arising from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Code of Practice on Local Accounting in the United Kingdom 2014/15

Electoral Division(s) and Member(s) Affected

- Not applicable

2017/18 Accounting Policy Changes

AP2 Accruals of Income and Expenditure – The following narrative has been omitted from the 2017/18 Accounting Policies as it is in excess of that required by the Code (as identified by KPMG last year):

- Where significant debtors or creditors arise from such items as government grants and pay awards that are not yet finalised, estimates are made on the basis of best information that is currently available.

Accounting instructions require accruals to be raised where amounts are in excess of £5,000. Schools are asked to take responsibility for accruing for employee costs where individual amounts owing are in excess of £5,000.

AP5 Costs of Support Services – In 2016/17, this policy explained that the main statements no longer had to be prepared in accordance with SERCOP. We do not have to state this again and hence for 2017/18 the policy has been simplified.

AP6 Government Grants and Contributions – The following narrative has been omitted as it duplicates what is already stated in the Policy (and is in excess of that required by the Code):

‘Where the grant has yet to be used to fund the revenue expenditure in relation to the purpose of the grant, it is appropriated into a specific revenue grants reserve. Once the expenditure has been incurred it is appropriated out of the specific revenue grants reserve.’

AP8 Property Plant and Equipment – The following narrative has been included to set out the frequency of asset valuations:

‘Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years.’

Also, the ‘Accounting for Schools PPE’ has been incorporated into this note so that all PPE policies are in the same place.

AP9 REFfCUS – The following narrative has been omitted from the 2017/18 Accounting Policies as it is in excess of that required by the Code:

‘Capital grants made to other bodies are written off to the appropriate Service revenue account during the financial year because they do not represent value for money to the Authority beyond the end of the financial year. This includes grants made to bodies for which the Authority is the accountable body and exercises control over grant distribution.’

AP13 Intangible Assets – The following narrative has been omitted from the 2017/18 Accounting Policies on the basis of non-materiality:

‘Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.'

AP15 Employee Benefits and Pensions – The following narrative has been removed from the 2017/18 Accounting Policies as it is not a policy and the numbers are shown elsewhere in the Statement of Accounts:

'Application of these revised assumptions has resulted in an increase in liabilities measured at the balance sheet date of £1,248.0 million (£1,137.0 million LGPS, £111.0 million Teachers).'

AP28 Accounting for Council Tax and NNDR – We have identified a need to include an accounting policy.

STATEMENT OF ACCOUNTING POLICIES

1. General Policies

The Statement of Accounts summarises the Authority's transactions for the 2017/18 financial year and its position at the year-end of 31 March 2018. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which require them to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 and the Service Reporting Code of Practice 2017/18, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

2. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected

3. Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

4. Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

5. Costs of Support Services

The costs of overheads and support services are charged to services in accordance with the Authority's arrangements for reporting accountability and financial performance.

6. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- the Authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as receipts in advance. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement.

Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

7. Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible non-current assets attributable to the service.

The Authority is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance (Minimum Revenue Provision), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

8. Property, Plant and Equipment (PPE)

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Assets are, however, only recognised when they exceed the de-minimis levels for 2017/18 set out below:

Asset Type	De minimus
Land and Buildings	£0
Community Assets	£10,000
Infrastructure Assets	£0
Assets under Construction	£0
Heritage Assets	£10,000
Vehicles, Plant, Furniture and Equipment	£6,000
Other assets	£6,000

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

- an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Authority does not capitalise borrowing costs.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, Community Assets and Assets under Construction – depreciated historical cost
- Heritage Assets - held at valuation or, under certain conditions, historical cost (depreciated where appropriate)
- Operational assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).
- Non-Operational Assets (i.e. not providing service potential to the Authority) – fair value as per the requirements of IFRS13 using the principle of “highest and best use” from a market participants perspective.

Where there is no market-based evidence of current value because of the specialist nature of an asset (e.g. school buildings), depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

The current land and building values used in the Statement of Accounts are based upon a certificate as at 31 March 2018 issued by xxx MRICS, Team Manager – Property and Strategy Manager from the Authority’s Property Division on 25th May 2017. A rolling 5 year revaluation programme is in place to maintain the accuracy of the valuations. When significant changes occur in any year they are included in the revaluation schedule undertaken during that year.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that they may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all PPE assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is charged in the year after acquisition or construction. Where depreciation is provided for, assets are depreciated using the straight line method. The lives of the assets vary and fall within the following ranges:

Asset Type	Useful Life (In Years)
Buildings	1 – 50
Vehicles and plant	1 – 20
Infrastructure	40
IT and other equipment	3 – 5
Intangibles	3 – 5
Furniture and Fittings	5 - 15

Where an item of PPE has major components whose costs are at least 20% of the total cost of the item, the components are depreciated separately. A review was carried out for all items over a de-minimus of £0.5 million. For the 2017/18 Statement of Accounts, the Authority has not identified any components to be depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Accounting for Schools Property, Plant and Equipment

The Authority has made detailed judgements regarding the control exercised over schools run in a wide variety of ways to determine whether non-current assets should be held on the Balance Sheet. The treatment of all schools has been considered by analysis predicated on the application of tests inherent within the following IFRS adopted by the CIPFA Code (Module 4 – Non Current Assets) – IAS16 – Property, Plant and Equipment, IAS17 – Leases and IFRIC12 – Service Concession Arrangements. This has resulted in the following treatment:

- Academy schools - off-Balance Sheet
- Foundation schools - on-Balance Sheet
- Voluntary Aided schools – off-Balance Sheet
- Voluntary Controlled schools – off-Balance Sheet
- Community schools – on-Balance Sheet

The assets of those Schools that convert to Academy status are derecognised from the Authority's Balance Sheet at nil proceeds. No impairment is recognised by the Authority prior to disposal.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction, rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any losses previously recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as Held for Sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether PPE or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts and are required to be credited to the Capital Receipts Reserve and can then be used for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement).

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

9. Revenue Expenditure Funded from Capital under Statute (REFfCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

10. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Authority as Lessee

Finance Leases

Property, Plant and Equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower), where the fair value exceeds the de-minimus limit. The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to write down the lease liability. Where material, contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Authority at the end of the lease period).

The Authority is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased Property, Plant or Equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Authority as Lessor

Finance Leases

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

11. Private Finance Initiative (PFI) and Similar Contracts

The Authority has entered into a number of Private Finance Initiative contracts. PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Authority is deemed to control the services that are provided under its PFI schemes, and as ownership of the property, plant and equipment will pass to the Authority at the end of the contracts for no additional charge, the Authority carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due

to the scheme operator to pay for the capital investment. For the Bassetlaw Schools PFI scheme and East Leake Schools PFI scheme, the liability was written down by initial capital contributions of £9.0 million and £2.9 million respectively.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as Property, Plant and Equipment owned by the Authority.

The amounts payable to the PFI operators each year are analysed into five elements:

- fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement
- finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease)
- lifecycle replacement costs – charges for ongoing maintenance of the Property, Plant and Equipment debited to the relevant scheme.

12. Heritage Assets

Tangible and Intangible Heritage Assets

The Authority's Heritage Assets are held at County Hall or at the Nottinghamshire Archives. Nottinghamshire Archives has a number of architectural drawings and records relating to Rufford Abbey and the Savile of Rufford Estate. These collections are held in support of the primary objective of the Authority's Archives. In addition, the Authority retains a number of important ceremonial regalia and paintings that are also retained for increasing the knowledge, understanding and appreciation of the Authority's history and local area.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Authority's accounting policies on Property, Plant and Equipment. However, some of the measurement rules are relaxed in relation to Heritage Assets as detailed below. The accounting policies in relation to Heritage Assets that are deemed to include elements of intangible Heritage Assets are also presented below. The Authority's collections of Heritage Assets are accounted for as follows:

Ceremonial Regalia and Art Collection

The ceremonial regalia and art collection includes ceremonial items, paintings (both oil and watercolour), sketches, sculptures, glass and silverware and is reported in the Balance Sheet at market value. These assets are deemed to have indeterminate lives and a high residual value; hence the Authority does not consider it appropriate to charge depreciation. Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at valuation with valuations provided by the external valuers and with reference to appropriate commercial markets for the paintings using the most relevant and recent information from sales at auctions.

Architectural Drawings and Records

The architectural drawings and records relating to the Savile of Rufford Estate are held at Nottinghamshire Archives and are reported in the Balance Sheet at historical cost. Valuation of these items is not readily available and the Authority believes that the benefits of obtaining annual valuations for these items would not justify the cost. These assets are deemed to have

indeterminate lives and a high residual value; hence the Authority does not consider it appropriate to charge depreciation. Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at valuation if appropriate with valuations provided by external valuers. Nottinghamshire Archives holds a number of other records (e.g. Lothian of Melbourne records) that are valued at less than £10,000. Consequently, the Authority does not recognise these assets on the Balance Sheet.

Heritage Assets – General

The carrying amounts of Heritage Assets are reviewed where there is evidence of impairment for Heritage Assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Authority's general policies on impairment. Where assets are disposed of, the proceeds of such items are accounted for in accordance with the Authority's general provisions relating to the disposal of Property, Plant and Equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

13. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

14. Investment Property

Investment Properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment Properties are measured initially at cost and subsequently at fair value as per the requirements of IFRS13. Fair value is based on the amount at which the asset could be sold in an orderly transaction between knowledgeable market participants at the measurement date. As a non-financial asset, an investment property will be measured at its highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However,

revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve

15. Employee Benefits and Pensions

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

Employees of the Authority are members of two separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE)
- The Local Government Pension Scheme, administered by Nottinghamshire County Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work for the Authority. However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Authority. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Children and Young People and Schools line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The Local Government Pension Scheme (LGPS)

The Scheme is accounted for as a defined benefits scheme:

- The liabilities of the pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the Page 65 of 202 unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by

employees, based on assumptions about mortality rates, employee turnover rates etc. and projections of projected earnings for current employees. In assessing these liabilities at 31 March 2018 for the 2017/18 Statement of Accounts, the actuary made a number of changes in the assumptions underlying the present value of the scheme liabilities. These include a change in the assumed pensions increases and inflation.

- The assets of the pension fund attributable to the Authority are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property – market value.

The change in the net pensions liability is analysed into several components:

- Service Cost comprising:
 - current service cost / gain – the change in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
 - past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
 - net interest on the net defined benefit liability (asset), i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- Remeasurements comprising:
 - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – credited/debited to the Pensions Reserve
- Contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being

required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

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Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

16. Cash and Cash Equivalents

Amounts held in call accounts or money market funds are highly liquid and readily convertible. These can be held for relatively long periods as call account rates are currently attractive. However, these accounts are used to cover short-term cash flow needs and so will be classed as cash equivalents.

Fixed term investments, of whatever duration, are not readily convertible to known amounts of cash. Fixed deals can be broken but only through negotiation with the borrower and at a penalty depending on the fair value of the loan at the time of break. All fixed term investments will not therefore be classed as cash equivalents.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

17. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement

Financial Assets

Financial assets are classified into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market
- available for sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments.

Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Authority has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

However, the Authority, for policy reasons, can make loans to voluntary organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

18. Fair Value Measurement

The Authority measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability

The Authority measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Authority's financial statements are categorised within the fair value hierarchy, as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – unobservable inputs for the asset or liability

19. Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

20. Joint Operations

An assessment of the Authority's interests has been carried out during the year in accordance with the Code of Practice to determine the group relationships that exist. Inclusion in the group is dependent upon the extent of the Authority's control over the entity demonstrated through ownership, such as a shareholding in an entity or representation on an entity's board of directors.

Joint operations are arrangements where the parties that have joint control have the rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the Authority in conjunction with other operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Authority as a joint operator recognises, where material:

- its assets, including share of assets held jointly;
- its liabilities, including share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output;
- its share of the revenue from the sale of the output by the joint operation;
- its expenses, including its share of any expenses incurred jointly.

21. Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the

obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

22. The Carbon Reduction Scheme

The Authority is required to participate in the Carbon Reduction Commitment Energy Efficiency Scheme. This scheme is currently in its second phase, which ends on 31 March 2019. The Authority is required to purchase allowances, either prospectively or retrospectively, and surrender them on the basis of emissions, i.e. carbon dioxide produced as energy is used. As carbon dioxide is emitted (i.e. as energy is used), a liability and an expense are recognised. The liability will be discharged by surrendering allowances. The liability is measured at the best estimate of the expenditure required to meet the obligation, normally at the current market price of the number of allowances required to meet the liability at the reporting date. The cost to the Authority is recognised and reported in the costs of the Authority's services and is apportioned to services on the basis of energy consumption.

23. Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence, or otherwise, of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but are disclosed in a note to the accounts.

24 Contingent Assets

A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence, or otherwise, of uncertain future events not wholly within the control of the Authority.

Contingent assets are not recognised in the Balance Sheet but are disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

No contingent assets have been identified for the Authority at 31 March 2018.

25. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the

Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority.

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26. Schools

The Code of Practice on Local Authority Accounting in the United Kingdom confirms that the balance of control for Local Authority maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the Local Authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the Local Authority financial statements (and not the Group Accounts). Therefore schools' transactions, cash flows and balances are recognised in each of the financial statements of the Authority as if they were the transactions, cash flows and balances of the Authority.

27. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

28. Accounting for Council Tax and NNDR

The Council Tax and NNDR income included in the Comprehensive Income and Expenditure Statement is the Authority's share of accrued income for the year. However, regulations determine the amount of Council Tax and NNDR that must be included in the Authority's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Authority's share of the end of year balances in respect of Council Tax and NNDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

29. Accounting Policies not relevant or material

All accounting policies are reviewed annually to ensure on-going relevance. The following policies have been omitted on the basis of having a non-material impact on the financial statements:

- Valuation of available for sale assets
- Intangible assets – recognition of internally generated assets
- Exceptional Items

14 March 2018**Agenda Item: 7****REPORT OF SERVICE DIRECTOR, FINANCE, PROCUREMENT AND
IMPROVEMENT****INTERNAL AUDIT PLAN – 2018/19****Purpose of the Report**

1. To consult with Members on the Internal Audit Plan for the 2018/19 financial year.

Information and Advice

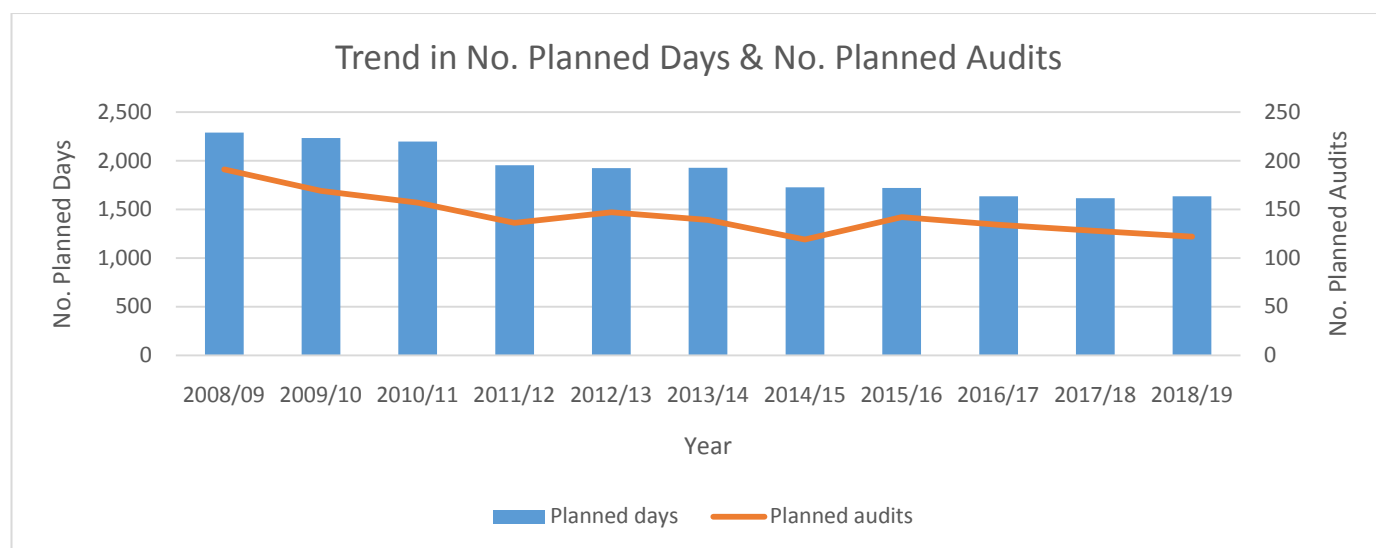
2. Internal Audit is defined as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes. The role of Internal Audit is to provide management with an objective assessment of whether its systems and controls are working properly. It provides an independent and continuous appraisal of the Authority's activities and in particular focuses on the internal controls established by the organisation's managers.
3. The Public Sector Internal Audit Standards (PSIAS) require the chief audit executive to establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation's goals. As part of the planning process, account is taken of external sources of assurance, including the work of external inspectorates. Where audits are planned, pre-audit work will also include discussion with managers over sources of assurance that can be relied upon, to prevent duplication. Members are also aware from the previous meeting in February 2018 that a pilot approach to assurance mapping in 2018/19 will be an important source of information for Internal Audit's plan. As this pilot progresses, any significant implications for Internal Audit's planned coverage next year will be identified.
4. The attached Audit Plan has been compiled in accordance with PSIAS and sets out the proposed coverage of the Authority's systems and procedures which deliver the Council's priorities. The Plan represents the Section's assessment of the key areas that need to be audited in order to satisfy the Authority's statutory responsibility to undertake an adequate and effective internal audit of its accounting records and its system of internal control. The Section's aim is to complete sufficient work to express an overall view on the adequacy and effectiveness of the Authority's internal control systems.

5. The Annual Plan is based on an Audit Needs Assessment to identify the priorities for audit coverage. Each area of activity in the Council is assessed in terms of the following factors:
- Value and volume of transactions involved with the activity
 - The known level of internal control in place (from previous audits)
 - The value of cash and bank transactions
 - The relative complexity of the activity
 - Whether the activity is stable or subject to change
 - How sensitive the activity is for the Council among its key stakeholders
 - The number of sites where the activity is carried out
 - The number of years since the previous audit
- Using an established system of scoring and weighting the above factors, the Needs Assessment arrives at a high/medium/low risk-rating for each area of activity.
6. The outcomes of the Audit Needs Assessment, and the proposed audit coverage, were discussed between January and March 2018 at departmental leadership teams and with the Corporate Leadership Team. As part of this, more detailed consultations took place with Service Directors and their management teams.
7. This work of Internal Audit is important in enabling the County Council's External Auditors to form a view on the overall adequacy of the Council's financial controls, which in turn supports their assessment of whether the County Council's annual statement of accounts gives a "true and fair view". The work is also a key contributory factor in the preparation of the Council's Annual Governance Statement, and it will make a significant contribution to the assurance mapping process in 2018/19.
8. A detailed breakdown of the 2018/19 Plan is shown in **Appendix 1**, and in summary below.

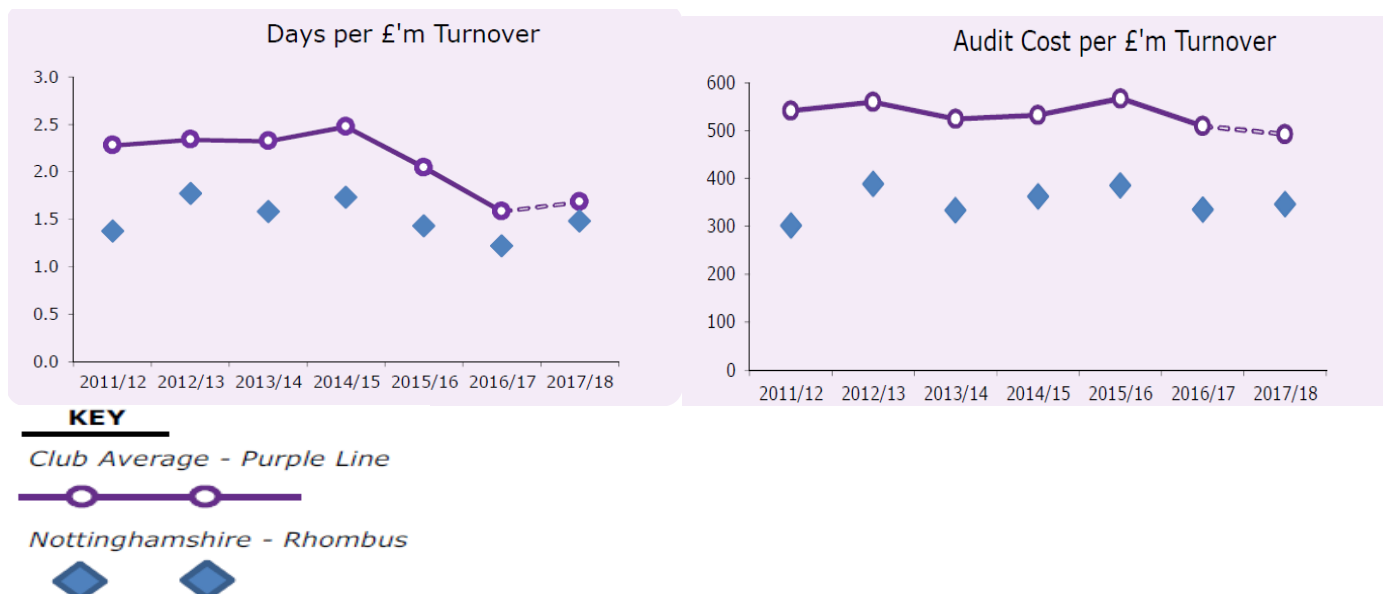
Department	Days	Number of Audits			
		High Priority	Med Priority	Other	Total
Council-wide	346	11	2	4	17
Children & Families	123	1	6	1	8
Adult Social Care & Health	265	3	13	-	16
Place	177	6	3	4	13
Resources	245	10	5	-	15
Contingency (for investigations)	150				
Total County Council (excl. schools)	1306	31	29	9	69
Schools (estimated buy-back & follow-up audits)	327		53		53
Total County Council	1633	31	82	9	122
External Clients (Notts Fire & Rescue Service)	102				
Grand Total	1735				

9. As can be seen from the table, a total of 1,735 days are planned for 2018/19 of which 1,633 (94%) will be spent on the Authority's systems and procedures. The remaining 102 days will be spent on external contracts, providing an internal audit service to Nottinghamshire Fire and Rescue Service. The costs incurred in delivering external contracts are fully recovered. Progress against the plan will be reported to the Governance & Ethics Committee and the Corporate Leadership Team on a regular basis.

10. With regard to schools, Nottinghamshire's Scheme for Financing Schools requires all local authority maintained schools to have an internal audit once every five years. In 2018/19, a total of 54 schools are due an internal audit. The Council's Internal Audit Service offers to deliver these audits on a buy-back basis, and the final buy-back rate only becomes clear towards the end of March. At this stage, therefore, the planned resource requirements for schools are based on estimates, plus the number of follow-up visits due in 2018/19 to track agreed actions in schools for which only limited assurance was provided from the 2017/18 audits.
11. The Audit Plan is implemented flexibly, and will continue to change to ensure that any emerging priorities during the year are addressed. As indicated above at paragraph 3, there is the particular potential for this to be a factor in 2018/19 due to the assurance mapping pilot. In recognition of this, the Chairman of the Governance & Ethics Committee and the Head of Internal Audit have recently discussed the drawbacks of the current annual planning approach, most notably in relation to the difficulties it presents for performance monitoring. An annual plan is proving too long a term over which the number and focus of internal audit jobs required can be can forecast with a reasonable degree of accuracy. A plan on based around a shorter term may prove more attuned to the responsive manner in which the service is delivered. A revised approach will be considered further with the Chairman, with a view to presenting a proposal to the Committee in July 2018.
12. The chart below shows the trend in the number of planned days (blocks) and the number of planned audits (trend line) in recent years. The plan for 2018/19 shows a similar number of days and jobs to that in 2017/18.



13. The Plan should maintain the extent of audit coverage of the Council's activities at a comparable level to previous years. The Section participates in the Chartered Institute of Public Finance and Accountancy (CIPFA) benchmarking club for internal audit services. Extracts from the latest benchmarking report for 2017 show the Council's Internal Audit Section is below the comparator average both in terms of the number of days per £1m of expenditure and in terms of the cost of the Internal Audit service per £1m of the Council's turnover.



Other Options Considered

- The Council is required under statute to maintain an adequate and effective internal audit service. The production of a risk-based plan is an important element of PSIAS. The standards and statutes are not prescriptive in terms of the content of the plan. The proposal in this report represents the Head of Internal Audit's assessment of the required coverage for the Council in 2018/19.

Reason/s for Recommendation/s

- To propose the planned coverage of Internal Audit's work in 2018/19 and to provide Members with the opportunity to make suggestions for its content.

Statutory and Policy Implications

- This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.
Individual audits in the proposed Audit Plan may potentially have a positive impact on many of the above considerations.

RECOMMENDATION

- That Members endorse the planned coverage of Internal Audit's work in 2018/19, and the proposal for a revised approach to planning to be presented to the Committee in July 2018.

Nigel Stevenson

Service Director (Finance, Procurement and Improvement)

For any enquiries about this report please contact:

Rob Disney
Head of Internal Audit

Constitutional Comments (KK 27/02/2018)

17. The proposal in this report is within the remit of the Governance and Ethics Committee.

Financial Comments (RWK 26/02/2018)

18. There are no specific financial implications arising directly from the report.

Background Papers

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None.

Electoral Division(s) and Member(s) Affected

- All.

Appendix 1

Council-wide areas (i.e. across departments)

Area of activity	Priority Level	Target Start	Days planned and nature of audit coverage				Likely scope
			Assurance	Advice/ Consultancy	Counter-Fraud	Certification	
Commissioning	H	Q1	10				Completion of audit commenced in 2017/18
Ethics	H	Q1	20				Completion of audit commenced in 2017/18
Learning, development & workforce planning	H	Q1	20				Assess approaches to workforce planning to meet projected needs, and compliance with the Council's EPDR scheme
Contract management	H	Q2	20				Assurance review to ensure effective monitoring. Ensure ongoing risk assessment of supplier resilience and supplier failure plans.
Budgetary control	H	Q2	20				Following previous reviews of the MTFS and budgetary control mechanisms, this audit will use data analytics to identify volatile budgets for a deep-dive review of forecasting and control approaches
Project management	H	Q2	20				Compliance with strategic aims of projects and commitments that have been identified. Delivery of projects against the original aims and business cases.
Income processing & Payment Card Industry standards compliance	H	Q3	20				Income collection, credit card income & PCI compliance, banking. Deep dive into risk areas from Data Analytics.
Service planning & performance management	M	Q4	15				Review the operation of the council's performance management framework and the implementation of the departmental strategies
Travel expenses	M	Q4	15				Compliance with council policy, using data analytics to identify potentially higher risk areas of service
BRMI	H	Q1-4		10			Review of data migration processes, combination of data capture, client consultation and reporting. Post implementation benefit analysis.
GDPR	H	Q1-4	5				Input to the Information Governance Group and follow up of previous audit recommendations.
Action tracking		Q1-4	40				Quarterly updates to the Governance & Ethics Committee on progress with implementing agreed actions
<i>Counter Fraud</i>	H						
Pro-active counter-fraud		Q1-4			25		Counter Fraud Plan to include prevention, detection, pro-active reviews and investigation activity. Using e-learning, NFI, NAFN and covering Cyber Fraud activities.
National Fraud Initiative		Q1-4			10		Co-ordination of data submission for the next NFI exercise
Fraud alerts		Q1-4			2		Review and dissemination of fraud alerts from national counter-fraud agencies
Transparency Code		Q1			2		Publication of annual fraud data

Annual Fraud Report		Q1			5		Production of the annual review of fraud at NCC
<i>Governance & Scrutiny</i>							
Assurance mapping		Q1-4	30				Leading and co-ordinating the assurance mapping pilot for 2018/19
Annual Governance Statement		Q1	10				Co-ordinating the AGS to accompany the final accounts
Statutory officers' updates		Q1-4		2			Quarterly review of the AGS with the Chief Executive, Monitoring Officer and Chief Finance Officer
<i>Advisory & support</i>							
Governance & Ethics Committee		Q1-4		30			Preparation of planning and progress reports, attendance at Committee meetings
Risk, Safety & Emergency Management Board		Q1-4		2			Head of Internal Audit attendance at RSEMB meetings
External audit liaison		Q1-4		1			Quarterly update meetings with External Audit
Client management				7			Planning and quarterly progress reports to Corporate Leadership Team
Advice				5			Provision of ad hoc advice on council-wide issues
Sub-Totals			245	57	44	0	
Grand Total			346				

Children and Families

Area of activity	Priority Level	Target Start	Days planned and nature of audit coverage				Likely scope
			Assurance	Advice/ Consultancy	Counter-Fraud	Certification	
Direct Payments	M	Q1	10				Controls for monitoring spending of direct payments by parents or young people, in line with the purposes of the personal budget that has been allocated.
Personal Budgets	M	Q1	10				Enablement of personal budgets and application of a resource allocation system to deliver some or all of the provision set out in an EHC plan.
Recoupment from other local authorities	M	Q2	15				Recoupment of special needs funding by the Council, on behalf of schools, where the responsibility rests with another LA, encompassing data input to Capita and subsequent efficacy of administration and recovery.
Early years education funding	M	Q2	15				Early years funding for private, voluntary and independent (PVI) providers, child-minders and LA maintained schools, encompassing agreements, compliance, payments, and budgetary control.
External placements	M	Q4	15				Placements of looked after children and young people (LAC) with external residential providers and foster carers, encompassing commissioning, agreements, compliance, payments and budgetary control.
SEND funding in mainstream schools	M	Q3	15				Higher Level Needs (HLN) and Additional Family Needs (AFN) funding in mainstream schools, focussing on compliance with SEND funding guidance.
School swimming safeguarding	H	Q3	15				Assurance about safeguarding controls in Schools' Swimming Service, plus possibly scoping pricing the offer to schools, buy-back rates, pool contracts, payments and budgetary control.
Beeston Youth & Community Centre		Q2				3	Certification of annual accounts.
Remodelling care / diagnostic review		Q1-4		5			Identifying and evaluating control implications of Remodelling Care programme, or Diagnostic Review by Newton Europe, notably in the light of relevant recent audits.
Client management				15			Planning with, and quarterly progress reports to, Senior Leadership Team.
Advice				5			Provision of ad hoc advice
Sub-Totals			95	25	0	3	
Grand Total			123				

Adult Social Care and Health

Area of activity	Priority Level	Target Start	Days planned and nature of audit coverage				Likely scope
			Assurance	Advice/ Consultancy	Counter-Fraud	Certification	
Safeguarding	M	Q1	10				Review of arrangements, taking account of internal and external assurance provision, and recent action plans.
Mosaic	H	Q3	15				Data input and output controls, notably as they affect commissioning, payments, charging, and forecasting. Possible inclusion of case allocation and management.
Direct Payment Support Services	H	Q1	15				Control environment under which DPSS organisations are permitted to provide services to direct payment holders.
Younger adults residential & nursing care – dynamic purchasing system	M	Q1	15				Review recent implementation of DPS, encompassing procurement, commissioning, agreements, compliance, payments and budgetary control.
Extra care	M	Q3	15				In light of expected new incoming strategy for Extra Care, review of how Council builds up care and support, including shared support and extra individual costs.
Continuing healthcare	M	Q1	15				Arrangements for service users eligible to partial or 100% healthcare funding, encompassing funding assessments and agreements, recoupment and budgetary control.
Shared lives	M	Q4	15				Funding of carers for service users in Shared Lives scheme, and the financial safeguarding of their monies, valuables and financial affairs.
External day care providers	M	Q2	15				Market management of external providers of day care, also encompassing commissioning, agreements, compliance, payments and budgetary control.
Care, support & enablement contracts	M	Q2	15				Second review of (extended) contracts for care, support and enablement of younger adults.
Financial assessments – residential & nursing care	M	Q4	15				Review of financial assessment process and service user charging, to follow expected transfer of processes from Abacus with Mosaic during 2018-19.
Independent care & support services	M	Q2	15				Given reliance on independent care & support providers in the market, focussed review on processes for ensuring financial due diligence and viability.
Better Care Fund	M	Q3	15				Second review of governance, reporting and monitoring arrangements, in line with BCF agreements and targets.
Deprivation of Liberty Safeguards (DoLS)	M	Q4	15				Assurance on how Council is signing off DoLS standard authorisations, including keeping on top of new ones, and dealing with ongoing reviews.
Care Act compliance	M	Q4	15				Assurance on mechanisms on how Council can demonstrate compliance with Care Act 2014, notably in light of any ombudsman's recommendations.
Supported assessments, Resource Allocation System	H	Q2	15				Assessment of number of supported assessments being offered, and configuration of RAS in relation to care needs and personal budget requirements.

Sustainability & Transformation Plans	M	Q3	15				Overview that STPs have been set up and developed in accordance with national guidance and local agreements, and NCC's interests are being protected and served.
Transforming care programme	n/a	Q1-4		10			Advisory input concerning the control environment to manage risks around the programme.
Client management				15			Planning with, and quarterly progress reports to, Senior Leadership Team.
Advice				5			Provision of ad hoc advice
Sub-Totals			235	30	0	0	
Grand Total			265				

Place

Area of activity	Priority Level	Target Start	Days planned and nature of audit coverage				Likely scope
			Assurance	Advice/ Consultancy	Counter Fraud	Certification	
Economic development	M	Q4	15				Review aspects of the economic development work activity incorporating; projects and initiatives, innovation centres, broadband projects and partnership funding for programmes projects such as LEADER.
Planning	M	Q2	15				Review procedures to process applications, receipt and handling of fee income. Compliance with governance arrangements for the consideration and approval, rejection & appeals for applications received. Develop work commenced in relation to shale gas applications.
Arc Joint Venture – contract management	H	Q2	15				Review developments and the embedding of contract management arrangements through NCC Property Services. Review the completion and monitoring of performance information and the generation of KPI's.
Strategic management of property estate	H	Q3	20				Review delivery of strategic property plans including the use of assets to generate income and the expected level of capital receipts. Controls in place to deliver effective asset utilisation and management including the projection of vacant properties.
Concessionary fares	H	Q4	15				Review controls in place for the administration of the concessionary fares scheme. Develop the use of data analytics to identify risk areas for specific deep dive work and follow up intelligence from the NFI exercise.
Local bus service subsidies	H	Q3	15				Review key controls governing the payment of subsidies to bus operators for the provision of local services. Develop the use of data analytics to identify outliers and areas for potential deep dive activity.
Voluntary sector – grant aid	H	Q3	15				Review processes in place to govern the processing of applications for grants. Review key controls in place to control the consideration, approval and payments of grants to voluntary organisations and individuals.
Via Joint Venture – contract management	H	Q2	15				Review contract management arrangements to ensure the joint venture is delivering services in accordance with the business case. Review the completion and monitoring of performance information and the generation of KPI's.
Country Parks – contract management	M	Q1	15				Review the key controls governing the contract management arrangements to ensure service delivery is in line with contract payments.
Trading Standards – operations certificates	n/a	Q3				10	Review and complete requirements for the certification of annual operations activities.
Energy & carbon management – Carbon	n/a	Q2				3	Completion of audit work on the annual returns for the Carbon Reduction Certificates

Reduction Certificate return								
Bus Services Operating Grant	n/a	Q3				2		Complete the certification of annual buss services operating grants
Platt Lane Playing Fields account	n/a	Q2				2		Complete the independent auditor work in relation to the completion of the annual accounts.
Client management				15				Planning with, and quarterly progress reports to, Senior Leadership Team.
Advice				5				Provision of ad hoc advice
Sub-Totals			140	20	0	17		
Grand Total			177					

Resources

Area of activity	Priority Level	Target Start	Days planned and nature of audit coverage				Likely scope
			Assurance	Advice/ Consultancy	Counter Fraud	Certification	
Payroll	H	Q3	15				Key control review. Deep dive into specific areas following Data Analytical review.
Customer Services Centre	M	Q4	15				Review of service delivery for key elements of the CSC processes. Scope including call handling monitoring, sifting enquiries through scripts, fee collection for services and KPI monitoring.
Pensions – investments	H	Q3	15				Review of processes for Investment of Pension Fund assets and the return in investments. Performance monitoring of fund managers.
Corporate financial management:	H						Review key corporate finance functions to ensure effective key controls in operation.
Insurance		Q2	15				Review processes for premium renewals, administration of claims, vetting for fraudulent claims and approval for claims settlement.
VAT		Q3	15				Review processes for recording, monitoring and completion of returns, monitoring set off arrangements and implementation of recommendations from inspections.
Corporate returns		Q3	15				Statutory completion, authorisation and the subsequent use of benchmarking and comparative data.
Members' services	M	Q3	15				Audit of processes governing member allowances, expenses, declarations of interest and the governance arrangements for the use of Divisional Fund.
ICT:							
Access controls	M	Q3	15				Review of processes for giving, changing and removing access to resources.
Change & release management	M	Q1	15				Review the management arrangements in place to change and release, configuration and application of updates and patches. (Cloud and non-Cloud)
Cloud computing	H	Q1	15				Review controls in place for contracting cloud services, contract monitoring arrangements and for continued service delivery and security.
ICT applications	H	Q3	15				Review specific access controls to departmental and corporate ICT applications, linked to assurance audits, to ensure data quality, business continuity and application maintenance.
Internet controls	H	Q2	15				Review key controls in relation to the governance and access to the internet and intranet, including security, access and defences.
Networks	H	Q1	15				Review of contracted arrangement for monitoring the delivery, security and availability across the network including wireless networks and voice networks.

Service desk management	H	Q2	15				Review contract monitoring arrangements to ensure that ICT service desk provision adequately supports the business in terms of incident reporting problem management and service requests
Service level management	M	Q2	15				Review management monitoring arrangements to ensure service level agreements (SLA) are robustly generated, effectively monitored and ensure performance delivery.
Client management				15			Planning with, and quarterly progress reports to, Senior Leadership Team.
Advice				5			Provision of ad hoc advice
Sub-Totals			225	20	0	0	
Grand Total			245				

14 March 2018**Agenda Item: 8****REPORT OF THE INTERIM SERVICE DIRECTOR, COMMISSIONING AND
RESOURCES****PROCUREMENT OF EXTERNAL RESIDENTIAL PLACEMENTS FOR
LOOKED AFTER CHILDREN****Purpose of the Report**

1. The purpose of this report is:
 - a) to report to Committee on the use of the Financial Regulations Waiver introduced from April 2017 to facilitate off-contract spend that the Council is sometimes required to make in relation to children's care and specialist education placements; and
 - b) to update the Committee on plans to mitigate the amount of off-contract spend moving forward, though the establishment of a contracting arrangement for the procurement of high needs supported accommodation for Looked After Children and care leavers.

Information

2. A Financial Regulations Waiver was approved with effect from 1st April 2017 which established a formalised process that is compliant with financial regulations for the procurement of external placements for Looked After Children with particularly complex needs where a suitable placement cannot be obtained via the Council's established contracts for providing specialist residential care. Equally for those children and young people who might have special needs or disabilities identified through an Education Health and Care Plan and who require a particularly specialist education placement. This followed an earlier internal audit review which highlighted the issue of off-contract spend and recommended that steps be put in place to manage it in line with the Council's financial regulations.
3. In approving the Financial Regulations Waiver, there was an acknowledgement of the ongoing requirement for it given the specific circumstances that often surround the need to secure a placement outside of established contracts as set out in **paragraph 4**. At the same time, it was agreed that use of the Waiver be reported annually to Elected Members. Equally that further work be undertaken to assess other means by which these specialist placements might be captured within a more formalised commissioning arrangement.
4. The Council has its own block contract arrangements for the provision of residential care accommodation for Looked After Children and is also part of an East Midlands regional

framework that includes a number of suppliers of residential placements. Similarly, the Council has established the Nottinghamshire Approved Provider List through which specialist education placements are commissioned via the independent and non-maintained sector when all other educational options have been exhausted.

5. Nevertheless, there remains a number of cases where, in discharging its role as corporate parent, the Council has no alternative than to place a young person outside of any of these contracted arrangements. This is primarily due to there being a limited market for the provision of residential care and semi-independent accommodation for children and young people with specific special and/or complex needs. It can also arise when there is a need for an emergency care placement and there is no immediately available and/or suitable capacity within contracted arrangements to meet this need. Equally, the specialist education placement might have resulted from parental preference taking precedence and it identifying a school that is not on any local or regional contracts/frameworks. In all cases, officers responsible for securing the most appropriate care and/or education placement for a young person will seek firstly to do so via established contracts. Off-contract spend is, and will remain, the option-of-last-resort and will in any event be pursued only if it is deemed to be in the best interests of the Looked After Child or care leaver for whom the Council is the corporate parent.
6. In the period from April 2017 to February 2018, the Financial Regulations Waiver was used on a total of 58 occasions. This comprised the procurement of specialist education provision at two schools, and residential care placements at 56 establishments. The forecast spend on these placements during this period is £19,566 on education placements and £3,960,724 on different types of specialist residential care placements, e.g. independent fostering agencies and semi-independent accommodation, together with secure accommodation / specialist placements that include both care and education provision.
7. A new procurement process will be established later this year that will seek to ensure suppliers of semi-independent accommodation that are not currently included on any of the existing frameworks that the Council has access to, are listed on an approved supplier list. A successful market engagement event took place in January 2018 and it is expected that the new process will become operational from May 2018.
8. This new process for semi-independent accommodation will work in the same way as specialist education placements are currently sourced. Evidence shows that many providers elect to join this approved provider list because it facilitates a smoother payment process and ensures priority consideration for future placements. That said, it has not completely alleviated the need to procure specialist education placements off-contract and likewise will not do so for residential care placements either. Suppliers cannot be compelled to register as an approved supplier and there is no guarantee that those who do will be able collectively to meet all of the Council's specialist care and education placement needs into the future. However, it will extend the number and range of providers with whom the Council has a formal contractual relationship, and registered suppliers will be prioritised if they are able to meet the specific needs of the child or young person in question.

Other Options Considered

9. Alongside the introduction of the process for procuring semi-independent accommodation, officers are continuing to assess the relative merits of establishing additional block contract arrangements for residential care placements to provide specifically for children and young people with the type of complex and specialist needs that the Council is unable to place within existing contractual arrangements. However, this would be a longer term option that would be implemented so as to complement existing local and regional frameworks for residential care placements.
10. Additionally, the existing East Midlands Regional Care Framework opens annually to allow new providers to enter on to this framework. It is hoped that this exercise will result in a further increase in the number of organisations with whom the Council can 'call off' from this.
11. Finally, whilst there is no existing regional framework for the procurement of specialist education placements, there is currently a regional project sponsored jointly by the nine East Midlands Children's Services Authorities that is assessing the feasibility and relative merits of a regional approach to address the increasing demand and cost of specialist education placements. Again, it is considered that any proposals arising from this will be complementary to the existing arrangements within Nottinghamshire.

Reason for Recommendations

12. The recommendations address the key issue identified in the audit report with regard to off-contract spend, and fulfil the reporting obligations set out when the Financial Regulations Waiver was approved in March 2017 to deal with the circumstances that require a child or young person to be placed in a residential care or residential care setting for which the Council does not have a pre-existing contractual relationship.

Statutory and Policy Implications

13. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

14. The specialist nature of these placements is reflected in the weekly cost which tends to be more expensive than those that can be obtained under existing contractual arrangements e.g. the block contract, but through which a suitable placement cannot always be sourced. These costs are met from within existing budgets, including the Dedicated Schools Grant, and can experience considerable pressure as the number of specialist placements and their weekly costs increase. The options set out in this report seek to ensure that the procurement of these placements is undertaken in line with the Council's financial regulations. Where there arises the need for a particularly specialist and /or complex placement that cannot be sourced from within existing contractual arrangements, this will

be facilitated through the use of the Financial Regulations Waiver and reported to committee.

Safeguarding of Children and Adults at Risk Implications

15. The Council will, in all cases, seek to discharge its statutory duty as corporate parent by considering what is in the best interests of the Looked After Child concerned. Within this context, off-contract spend will only be pursued when all of the suitable placement options for which the Council has pre-existing contractual arrangements have been explored. It will in any event be considered only if it is deemed to be in the best interests of the child or young person, whether they be LAC and / or in receipt of an EHCP.

RECOMMENDATION/S

That:

- 1) Members consider whether there are any further actions they require beyond those set out within the report to reduce the amount of off-contract spend that might otherwise be incurred in relation to specialist care and education placements for vulnerable children and young people
- 2) further reports on the continuing use of the Financial Regulations Waiver be included within the report annual report to Committee on the use of Financial Regulations Waivers across the Council, and also following the upcoming internal audit review of the children in care placements service.

Laurence Jones

Interim Service Director, Commissioning and Resources

For any enquiries about this report please contact:

Jon Hawketts

Group Manager, Commissioning and Placements, Children and Families Department

T: 0115 9773696

E: jon.hawketts@nottscc.gov.uk

Constitutional Comments (LM22 /02/18)

16. The Governance and Ethics Committee is the appropriate body to consider the contents of the report.

Financial Comments (SS 06/03/18)

17. The financial implications are set out in paragraph 14 of the report.

Background Papers and Published Documents

None.

Electoral Division(s) and Member(s) Affected

All.

C1104

14 March 2018

Agenda Item: 9

REPORT OF SERVICE DIRECTOR – FINANCE, PROCUREMENT AND IMPROVEMENT

KPMG – EXTERNAL AUDIT PLAN 2017/18

Purpose of the Report

1. To inform Members of the External Auditors' Audit Plan for their 2017/18 Audit.

Information

2. The attached report from KPMG sets out the proposed Audit Plan for the 2017/18 audit, including their approach, fees, key staff and timelines for the audit. The report is presented to Members for their information. The Audit Director (KPMG), Tony Crawley, and Sayeed Haris, the Audit Manager (KPMG), will be in attendance at the meeting to introduce the report and respond to Member's questions.

Other Options Considered

3. The report is for comment only.

Reason/s for Recommendation/s

4. To provide information to Members on the External Audit Plan 2017/18

Statutory and Policy Implications

5. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

6. The anticipated total fees, excluding the indicative fee for grant claim certification, are £98,213 for Nottinghamshire County Council and £29,926 for the Nottinghamshire Pension Fund. This is in line with the initial proposal and budget provision is in place.

RECOMMENDATION/S

- 1) That Members receive, and comment upon, the External Auditor's Audit Plan for 2017/18.

Nigel Stevenson

Service Director – Finance, Procurement and Improvement

For any enquiries about this report please contact:

Glen Bicknell, Senior Finance Business Partner, Financial Strategy and Compliance.

Constitutional Comments (05/03/2018 KK)

7. The proposal in this report is within the remit of the Governance and Ethics Committee

Financial Comments (14/02/2018 GB)

8. The financial implications are set out in the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All



External Audit Plan 2017/18

**Nottinghamshire County
Council and
Nottinghamshire Pension
Fund**

February 2018

DRAFT

Summary for Governance and Ethics Committee

Financial statements

There are no significant changes to the Code of Practice on Local Authority Accounting ("the Code") in 2017/18, which provides stability in terms of the accounting standards the Authority need to comply with. Despite this, the deadline for the production and signing of the financial statements has been significantly advanced in comparison to year ended 31 March 2017. We recognise that the Authority has advanced its own accounts production timetable in prior years so as to align with the new deadlines. As a result, we do not feel that this represents a significant risk, although it is still important that the authority manages its closedown process to meet the earlier deadline.

In order to meet the revised deadlines it will be essential that the draft financial statements and all prepared by client documentation is available in line with agreed timetables. Where this is not achieved there is a significant likelihood that the audit report will not be issued by 31 July 2018.

Materiality

Materiality for planning purposes has been set at **£18.6 million** for the Authority and **£50 million** for the Pension Fund.

We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' and this has been set at **£0.93 million** for the Authority and **£2.5 million** for the Pension Fund.

Significant risks - Authority

Those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error have been identified as:

- **Valuation of PPE** – The Authority operates a cyclical revaluation approach, the Code requires that all land and buildings be held at fair value. We will consider the way in which the Authority ensures that assets not subject to in-year revaluation are not materially misstated. We will also review the instructions and source of the information provided to, and used by, the valuer to inform the Authority's PPE valuation and undertake appropriate testing to ensure both its completeness and accuracy; and
- **Pension Liabilities** – The valuation of the Authority's pension liability, as calculated by the Actuary, is dependent upon both the accuracy and completeness of the data provided and the assumptions adopted. We will review the processes in place to ensure accuracy of data provided to the Actuary and consider the assumptions used in determining the valuation.

Other areas of audit focus - Authority

Those risks with less likelihood of giving rise to a material error but which are nevertheless worthy of additional audit focus have been identified as:

- **Faster Close** – As set out above, the timetable for the production of the financial statements has been significantly advanced with draft accounts having to be prepared by 31 May (2017: 30 June) and the final accounts signed by 31 July (2017: 30 September). We will work with the Authority in advance of our audit to understand the steps being taken to meet these deadlines and the impact on our work.

See pages 4 to 11 [Page 120 of 232](#)

Summary for Governance and Ethics Committee (cont.)

Financial Statements (cont.)

Significant risks - Pension Fund

Those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error have been identified as:

- **Valuation of hard to price investments** – The Pension Fund invests in a range of assets and funds, some of which are inherently harder to value due to there being no publicly available quoted prices. We will verify a sample of investments to third party information and confirmations.

See page 9 for more details

Value for Money Arrangements work

Our risk assessment regarding your arrangements to secure value for money has identified the following VFM significant risk to date:

Medium Term Financial Planning - The Authority continues to face similar financial pressures and uncertainties to those experienced by others in the local government sector. For 2017/18, the Authority has a balanced budget, but the updated Medium Term Financial Strategy (MTFS) 2018/19 to 2021/22 identifies a gap of £54.7m between 2018/19 and 2021/22 as a result of increasing cost pressures and reductions in grant funding. The Authority needs to have effective arrangements in place for managing its annual budget and generating savings required to balance its medium term financial plan. We will review the arrangements the Authority has in place to ensure financial resilience.

See pages 12 to 16 for more details

Logistics

Our team is:

- Tony Crawley – Director
- Sayeed Haris – Senior Manager
- David Schofield – Assistant manager

More details are in **Appendix 2**.

Our work will be completed in four phases from October to July and our key deliverables are this Audit Plan and a Report to Those Charged With Governance as outlined on **page 19**.

Our planned fees for the 2017/18 audit are:

- Authority - £98,213 (2016/17: £102,191); and
- Pensions Fund - £29,926 (2016/17: £33,442).

These fees are in line with the scale fees published by PSAA. see **page 18**.

Acknowledgements

We would like to take this opportunity to thank officers and Members for their continuing help and co-operation throughout our audit work.

Introduction

Background and Statutory responsibilities

This document supplements our Audit Fee Letter 2017/18 presented to you in June 2017, which also sets out details of our appointment by Public Sector Audit Appointments Ltd (PSAA).

Our statutory responsibilities and powers are set out in the Local Audit and Accountability Act 2014, the National Audit Office’s Code of Audit Practice and the PSAA Statement of Responsibilities.

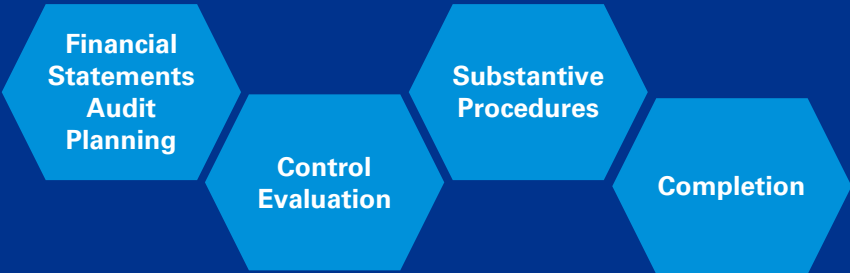
Our audit has two key objectives, requiring us to audit/review and report on your:

- 01 | **Financial statements :**
Providing an opinion on your accounts. We also review the Annual Governance Statement and Narrative Report and report by exception on these; and
- 02 | **Use of resources:**
Concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the value for money conclusion).

The audit planning process and risk assessment is an on-going process and the assessment and fees in this plan will be kept under review and updated if necessary. Any change to our identified risks will be reporting to the Governance and Ethics Committee.

Financial Statements Audit

Our financial statements audit work follows a four stage audit process which is identified below. Appendix 1 provides more detail on the activities that this includes. This report concentrates on the Financial Statements Audit Planning stage of the Financial Statements Audit.



Value for Money Arrangements Work

Our Value for Money (VFM) Arrangements Work follows a six stage process which is identified below. Pages 12 - 16 provide more detail on the activities that this includes. This report concentrates on explaining the VFM approach for 2017/18 and the findings of our VFM risk assessment.



Financial statements audit planning

Financial Statements Audit Planning

Our planning work takes place during October 2017 to February 2018. This involves the following key aspects:

- Determining our materiality level;
- Risk assessment;
- Identification of significant risks;
- Consideration of potential fraud risks;
- Identification of key account balances in the financial statements and related assertions, estimates and disclosures;
- Consideration of management's use or experts; and
- Issuing this audit plan to communicate our audit strategy.

Risk assessment

Auditing standards require us to consider two standard risks for all organisations. We are not elaborating on these standard risks in this plan but consider them as a matter of course in our audit and will include any findings arising from our work in our ISA 260 Report.

01

Management override of controls

Management is typically in a powerful position to perpetrate fraud owing to its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Our audit methodology incorporates the risk of management override as a default significant risk. In line with our methodology, we carry out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.

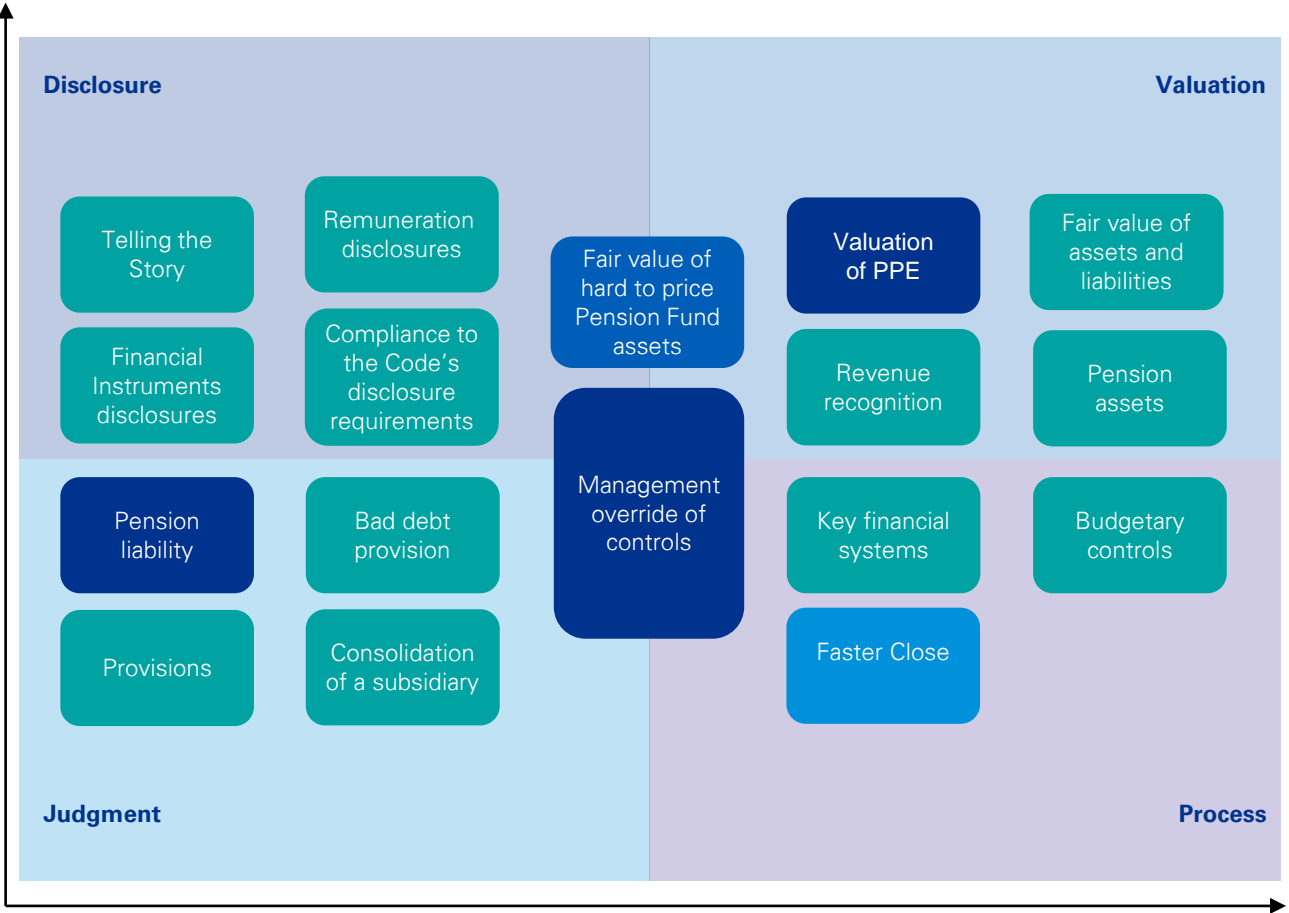
02

Fraudulent revenue recognition

We do not consider this to be a significant risk for local authorities as there are limited incentives and opportunities to manipulate the way income is recognised. We therefore rebut this risk and do not incorporate specific work into our audit plan in this area over and above our standard fraud procedures.

Financial statements audit planning (cont.)

The diagram below identifies significant risks and other areas of audit focus, which we expand on overleaf. The diagram also identifies a range of other areas considered by our audit approach.



- Keys:
- Significant risk
- Significant risks – Pension Fund only
- Other area of audit focus
- Example other areas considered by our approach

Financial statements audit planning (cont.)

Significant Audit Risks – Authority

Those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error in relation to the Authority.

Risk:	Valuation of Property, Plant and Equipment (PPE) The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate fair value at that date. The Authority has adopted a rolling revaluation model which sees all land and buildings revalued over a five year cycle. As a result of this, however, individual assets may not be revalued for four years. This creates a risk that the carrying value of those assets not revalued in year differs materially from the year end fair value.
Approach:	<p>We will consider the instructions and source of the information provided to, and used by, the valuer to inform the Authority’s PPE valuation and undertake appropriate testing to ensure both its completeness and accuracy. We will confirm the appropriateness of any amendments made by management to the information received and incorporated into the financial statements.</p> <p>We will review the approach that the Authority has adopted to assess the risk that assets not subject to valuation are materially misstated and consider the robustness of that approach.</p> <p>In addition, we will consider movement in market indices between revaluation dates and the year end in order to determine whether these indicate that fair values have moved materially over that time.</p> <p>In relation to those assets which have been revalued during the year we will assess the valuer’s qualifications, objectivity and independence to carry out such valuations and review the methodology used (including testing the underlying data and assumptions).</p>

Financial statements audit planning (cont.)

Significant Audit Risks – Authority (cont.)

Risk:	<p>Pension Liabilities</p> <p>The net pension liability represents a material element of the Authority’s balance sheet. The Authority is an admitted body of the Nottinghamshire Pension Fund, which had its last triennial valuation completed as at 31 March 2016. This forms an integral basis of the valuation as at 31 March 2018.</p> <p>The valuation of the Local Government Pension Scheme relies on a number of assumptions, most notably around the actuarial assumptions, and actuarial methodology which results in the Authority’s overall valuation.</p> <p>There are financial assumptions and demographic assumptions used in the calculation of the Authority’s valuation, such as the discount rate, inflation rates, mortality rates etc. The assumptions should also reflect the profile of the Authority’s employees, and should be based on appropriate data. The basis of the assumptions is derived on a consistent basis year to year, or updated to reflect any changes.</p> <p>There is a risk that the assumptions and methodology used in the valuation of the Authority’s pension obligation are not reasonable. This could have a material impact to net pension liability accounted for in the financial statements.</p>
Approach:	<p>As part of our work we will review the controls that the Authority has in place over the information sent to the scheme Actuary, including the Authority’s process and controls with respect to the assumptions used in the valuation. We will also evaluate the competency, objectivity and independence of Barnett Waddingham, the scheme actuary.</p> <p>We will review the appropriateness of the key assumptions included within the valuation, compare them to expected ranges, and consider the need to make use of a KPMG Actuary.</p> <p>We will review the methodology applied in the valuation by Barnett Waddingham.</p> <p>In addition, we will review the overall Actuarial valuation and consider the disclosure implications in the financial statements.</p>

Financial statements audit planning (cont.)

Other areas of audit focus

Those risks with less likelihood of giving rise to a material error but which are nevertheless worthy of audit understanding.

Issue:

Faster Close

In prior years, the Authority has been required to prepare draft financial statements by 30 June and then final signed accounts by 30 September. For years ending on and after 31 March 2018 however, revised deadlines apply which require draft accounts by 31 May and final signed accounts by 31 July.

In order to meet the revised deadlines, the Authority may need to make greater use of accounting estimates. In doing so, consideration will need to be given to ensuring that these estimates remain valid at the point of finalising the financial statements. In addition, there are a number of logistical challenges that will need to be managed. These include:

- Ensuring that any third parties involved in the production of the accounts (including valuers, actuaries and subsidiaries) are aware of the revised deadlines and have made arrangements to provide the output of their work in accordance with this;
- Revising the closedown and accounts production timetable in order to ensure that all working papers and other supporting documentation are available at the start of the audit process;
- Ensuring that the Governance and Ethics Committee meeting schedule has been updated to permit signing in July; and
- Applying a shorter paper deadline to the July meeting of the Governance and Ethics Committee meeting in order to accommodate the production of the final version of the accounts and our ISA 260 report.

In the event that the above areas are not effectively managed there is a risk that the audit will not be completed by the 31 July deadline.

There is also an increased likelihood that the Audit Certificate (which confirms that all audit work for the year has been completed) may be issued separately at a later date if work is still ongoing in relation to the Authority's Whole of Government Accounts return and the Pension Fund Annual Report. This is however not a matter of concern and is not seen as a breach of deadlines.

Approach:

We will continue to liaise with officers in preparation for our audit in order to understand the steps that the Authority is taking in order to ensure it meets the revised deadlines. We will also look to advance audit work into the interim visit in order to streamline the year end audit work.

Where there is greater reliance upon accounting estimates we will consider the assumptions used and challenge the robustness of those estimates.

Financial statements audit planning (cont.)

Significant Audit Risks – Pension Fund

Those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error in relation to the Pension Fund.

Risk:	Valuation of hard to price investments The Pension Fund invests in a wide range of assets and investment funds, some of which are inherently harder to value or do not have publicly available quoted prices, requiring professional judgement or assumptions to be made at year end. The pricing of complex investment assets may also be susceptible to pricing variances given the number of assumptions underlying the valuation.
Approach:	As part of our audit of the Pension Fund, we will independently verify a selection of investment asset prices to third party information and obtain independent confirmation on asset existence. We will also test to what extent the Pension Fund has challenged the valuations reported by investment managers for harder to price investments and obtained independent assessment of the figures.

In addition to the risk set out above, if we receive specific requests from the auditors of other admitted bodies, we are required to support their audits under the protocols put in place by the PSAA for this purpose. If the work they request is over and above that already planned, there will be additional costs arising from this. The Pension Fund can consider recharging these costs to the relevant admitted bodies.

Financial statements audit planning (cont.)

Materiality

We are required to plan our audit to determine with reasonable confidence whether or not the financial statements are free from material misstatement. An omission or misstatement is regarded as material if it would reasonably influence the user of financial statements. This therefore involves an assessment of the qualitative and quantitative nature of omissions and misstatements.

Generally, we would not consider differences in opinion in respect of areas of judgement to represent ‘misstatements’ unless the application of that judgement results in a financial amount falling outside of a range which we consider to be acceptable.

For the Authority, materiality for planning purposes has been set at £18.6 million, which equates to 1.5 percent of gross expenditure.

For the Pension Fund, materiality for planning purposes has been set at £50 million, which equates to 1 percent of total assets.

We design our procedures to detect errors in specific accounts at a lower level of precision.

Authority - Prior Year Gross Expenditure: £1.2bn (2015/16: £1.2bn)



Pension Fund – 2017/18 Q3 Gross Assets: £5.3bn (2016/17: £4.9bn)



Financial statements audit planning (cont.)

Reporting to the Governance and Ethics Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Governance and Ethics Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.

Under ISA 260(UK&I) ‘Communication with those charged with governance’, we are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance. ISA 260 (UK&I) defines ‘clearly trivial’ as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

In the context of the Authority, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.93 million.

In the context of the Pension Fund, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £2.5 million.

If management has corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Governance and Ethics Committee to assist it in fulfilling its governance responsibilities.

We will report:



Non-Trivial corrected audit misstatements



Non-trivial uncorrected audit misstatements



Errors and omissions in disclosure (Corrected and uncorrected)

Value for money arrangements work

VFM audit approach

The Local Audit and Accountability Act 2014 requires auditors of local government bodies to be satisfied that the authority ‘has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources’.

This is supported by the Code of Audit Practice, published by the NAO in April 2015, which requires auditors to ‘take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor’s judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body’s arrangements.’

Overall criterion

In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

The VFM approach is fundamentally unchanged from that adopted in 2016/17 and the process is shown in the diagram below. The diagram overleaf shows the details of the sub-criteria for our VFM work.



Value for money arrangements work (cont.)

Value for Money sub-criteria

Informed decision making

Proper arrangements:

- Acting in the public interest, through demonstrating and applying the principles and values of sound governance.
- Understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management.
- Reliable and timely financial reporting that supports the delivery of strategic priorities.
- Managing risks effectively and maintaining a sound system of internal control.

Sustainable resource deployment

Proper arrangements:

- Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.
- Managing and utilising assets to support the delivery of strategic priorities.
- Planning, organising and developing the workforce effectively to deliver strategic priorities.

Working with partners and third parties

Proper arrangements:

- Working with third parties effectively to deliver strategic priorities.
- Commissioning services effectively to support the delivery of strategic priorities.
- Procuring supplies and services effectively to support the delivery of strategic priorities.

Value for money arrangements work (cont.)

VFM audit stage



VFM audit risk assessment

Audit approach

We consider the relevance and significance of the potential business risks faced by all local authorities, and other risks that apply specifically to the Authority. These are the significant operational and financial risks in achieving statutory functions and objectives, which are relevant to auditors' responsibilities under the *Code of Audit Practice*.

In doing so we consider:

- The Authority's own assessment of the risks it faces, and its arrangements to manage and address its risks;
- Information from the Public Sector Auditor Appointments Limited VFM profile tool;
- Evidence gained from previous audit work, including the response to that work; and
- The work of other inspectorates and review agencies.



Linkages with financial statements and other audit work

Audit approach

There is a degree of overlap between the work we do as part of the VFM audit and our financial statements audit. For example, our financial statements audit includes an assessment and testing of the Authority's organisational control environment, including the Authority's financial management and governance arrangements, many aspects of which are relevant to our VFM audit responsibilities.

We have always sought to avoid duplication of audit effort by integrating our financial statements and VFM work, and this will continue. We will therefore draw upon relevant aspects of our financial statements audit work to inform the VFM audit.



Identification of significant risks

Audit approach

The Code identifies a matter as significant '*if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public. Significance has both qualitative and quantitative aspects.*'

If we identify significant VFM risks, then we will highlight the risk to the Authority and consider the most appropriate audit response in each case, including:

- Considering the results of work by the Authority, inspectorates and other review agencies; and
- Carrying out local risk-based work to form a view on the adequacy of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Value for money arrangements work (cont.)

VFM audit stage



Assessment of work by other review agencies, and Delivery of local risk based work

Audit approach

Depending on the nature of the significant VFM risk identified, we may be able to draw on the work of other inspectorates, review agencies and other relevant bodies to provide us with the necessary evidence to reach our conclusion on the risk.

We will also consider the evidence obtained by way of our financial statements audit work and other work already undertaken.

If evidence from other inspectorates, agencies and bodies is not available and our other audit work is not sufficient, we will need to consider what additional work we will be required to undertake to satisfy ourselves that we have reasonable evidence to support the conclusion that we will draw. Such work may include:

- Additional meetings with senior managers across the Authority;
- Review of specific related minutes and internal reports;
- Examination of financial models for reasonableness, using our own experience and benchmarking data from within and without the sector.



Concluding on VFM arrangements

Audit approach

At the conclusion of the VFM audit we will consider the results of the work undertaken and assess the assurance obtained against each of the VFM themes regarding the adequacy of the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources.

If any issues are identified that may be significant to this assessment, and in particular if there are issues that indicate we may need to consider qualifying our VFM conclusion, we will discuss these with management as soon as possible. Such issues will also be considered more widely as part of KPMG's quality control processes, to help ensure the consistency of auditors' decisions.



Reporting

Audit approach

On the following page, we report the results of our initial risk assessment.

We will report on the results of the VFM audit through our ISA 260 Report. This will summarise any specific matters arising, and the basis for our overall conclusion.

The key output from the work will be the VFM conclusion (i.e. our opinion on the Authority's arrangements for securing VFM), which forms part of our audit report.

Value for money arrangements work (cont.)

Significant VFM Risks

Those risks requiring specific audit attention and procedures to address the likelihood that proper arrangements are not in place to deliver value for money.

Risk:	<p>Medium Term Financial Planning</p> <p>The Authority continues to face similar financial pressures and uncertainties to those experienced by others in the local government sector. For 2017/18, the Authority has a balanced budget, but the updated Medium Term Financial Strategy 2018/19 to 2021/22 identifies a gap of £54.7m between 2018/19 and 2021/22, resulting from increasing cost pressures and reductions in grant funding. The Authority needs to have effective arrangements in place for managing its annual budget, and identifying and implementing sufficient savings and income measures to balance its medium term financial plan.</p>
Approach:	<p>As part of our risk based work, we will review the arrangements the Authority has in place to ensure financial resilience, specifically that the Medium Term Financial Strategy has taken into consideration the latest available information on factors such as funding reductions, business rate reform, fair funding, salary and general inflation, demand pressures, restructuring costs and sensitivity analysis given the degree of variability in the above factors.</p> <p>We will assess the arrangements for ensuring that savings plans have been achieved as planned, including any actions taken by the Authority when schemes do not deliver as expected.</p> <p>We will review the Authority’s arrangements in place to deliver services through partnerships, including the Sustainability and Transformation Partnership.</p>
VFM Sub-criterion:	<p>This risk is related to the following Value For Money sub-criteria:</p> <ul style="list-style-type: none">— Informed decision making;— Sustainable resource deployment; and— Working with partners and third parties

Other matters

Whole of government accounts (WGA)

We are required to issue an assurance statement to the National Audit Office confirming the income, expenditure, asset and liabilities of the Authority. Deadlines for completion of this for 2017/18 have not yet been confirmed.

Elector challenge

The Local Audit and Accountability Act 2014 gives electors certain rights. These are:

- The right to inspect the accounts;
- The right to ask the auditor questions about the accounts; and
- The right to object to the accounts.

As a result of these rights, in particular the right to object to the accounts, we may need to undertake additional work to form our decision on the elector's objection. The additional work could range from a small piece of work where we interview an officer and review evidence to form our decision, to a more detailed piece of work, where we have to interview a range of officers, review significant amounts of evidence and seek legal representations on the issues raised.

The costs incurred in responding to specific questions or objections raised by electors is not part of the fee. This work will be charged in accordance with the PSAA's fee scales.



Other matters

Reporting and communication

Reporting is a key part of the audit process, not only in communicating the audit findings for the year, but also in ensuring the audit team are accountable to you in addressing the issues identified as part of the audit strategy. Throughout the year we will communicate with you through meetings with the Strategic Finance Technical Accounting Team and the Governance and Ethics Committee. Our communication outputs are included in Appendix 1.

Independence and Objectivity

Auditors are also required to be independent and objective. Appendix 3 provides more details of our confirmation of independence and objectivity.

Audit fee

Our Audit Fee Letter 2017/2018 presented to you in June 2017 first set out our fees for the 2017/18 audit. This letter also set out our assumptions. We have not considered it necessary to seek approval for any changes to the agreed fees at this stage.

Should there be a need to charge additional audit fees then this will be agreed with the Service Director - Finance, Procurement and Improvement (s151 Officer) and PSAA. If such a variation is agreed, we will report that to you in due course.

The planned audit fees for 2017/18 are:

- Authority £98,213 (2016/17: £102,191); and
- Pension Fund £29,926 (2016/17: £33,442).

Appendix 1:

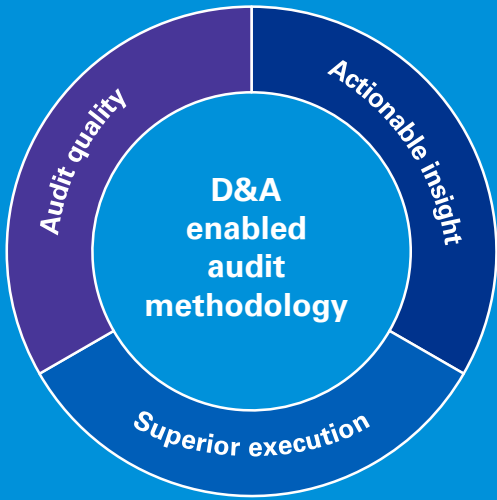
Key elements of our financial statements audit approach

Driving more value from the audit through data and analytics

Technology is embedded throughout our audit approach to deliver a high quality audit opinion. Use of Data and Analytics (D&A) to analyse large populations of transactions in order to identify key areas for our audit focus is just one element. Data and Analytics allows us to:

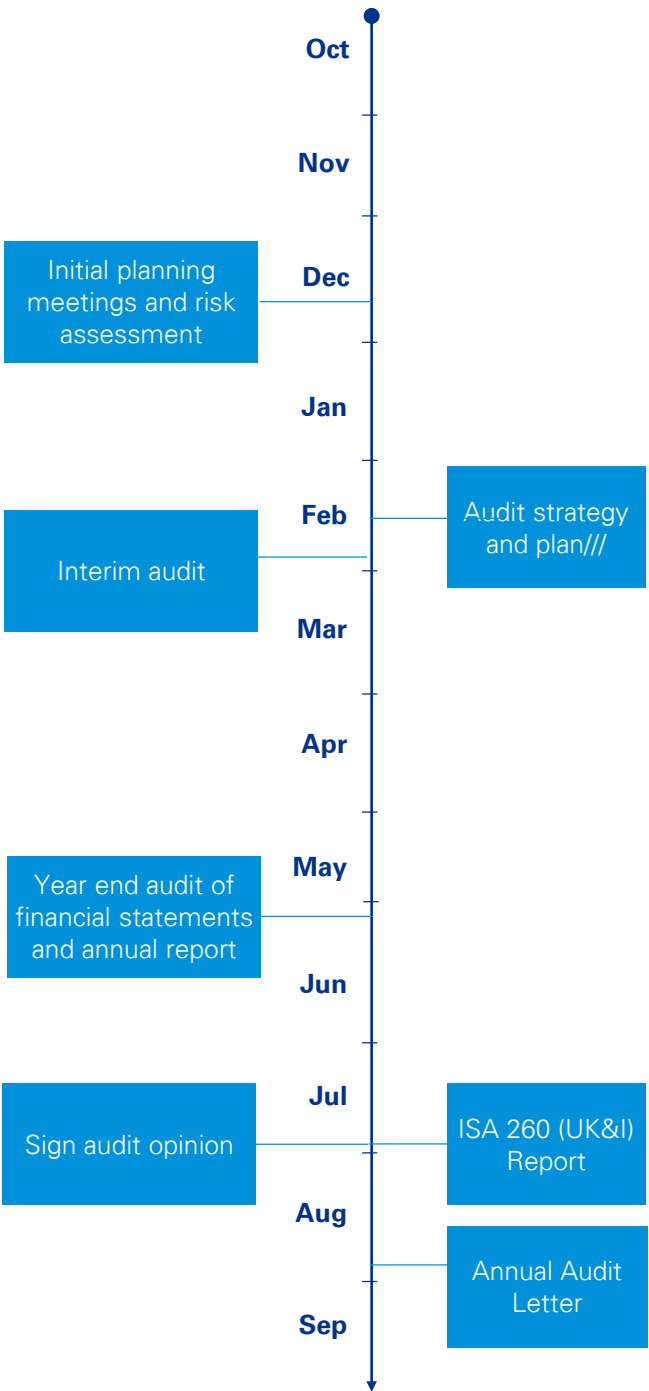
- Obtain greater understanding of your processes, to automatically extract control configurations and to obtain higher levels assurance.
- Focus manual procedures on key areas of risk and on transactional exceptions.
- Identify data patterns and the root cause of issues to increase forward-looking insight.

We anticipate using data and analytics in our work around key areas such as journals.



Communication

Continuous communication involving regular meetings between Governance and Ethics Committee, Senior Management and audit team.



Appendix 1:

Key elements of our financial statements audit approach (cont.)

Audit workflow

Planning

- Determining our materiality level;
- Risk assessment;
- Identification of significant risks;
- Consideration of potential fraud risks;
- Identification of key account balances in the financial statements and related assertions, estimates and disclosures;
- Consideration of managements use or experts; and
- Issuing this audit plan to communicate our audit strategy.

Control evaluation

- Understand accounting and reporting activities;
- Evaluate design and implementation of selected controls;
- Test operating effectiveness of selected controls; and
- Assess control risk and risk of the accounts being misstated.

Substantive testing

- Plan substantive procedures;
- Perform substantive procedures; and
- Consider if audit evidence is sufficient and appropriate.

Completion

- Perform completion procedures;
- Perform overall evaluation;
- Form an audit opinion; and
- Governance and Ethics Committee reporting.

Appendix 2:

Audit team

Your audit team has been drawn from our specialist public sector assurance department. Our audit team were all part of the Nottinghamshire County Council and Pension Fund audit last year.



Tony Crawley
Director

T: 0116 256 6067
E: Tony.Crawley@kpmg.co.uk

‘My role is to lead our team and ensure the delivery of a high quality, valued added external audit opinion.

I will be the main point of contact for the Governance and Ethics Committee, Chief Executive, and Service Director - Finance, Procurement and Improvement (s151 Officer).’



Sayeed Haris
Senior Manager

T: 0116 256 6061
E: Sayeed.Haris@kpmg.co.uk

‘I provide quality assurance for the audit work and specifically any technical accounting and risk areas.

I will work closely with Tony Crawley to ensure we add value.

I will liaise with the Service Director - Finance, Procurement and Improvement (s151 Officer) and other Senior Managers.’



David Schofield
Assistant Manager

T: 0116 256 6074
E: David.Schofield@kpmg.co.uk

‘I will be responsible for the on-site delivery of our work and will supervise the work of our audit assistants.

I will also be the day to day contact for the Finance Team.’

Appendix 3:

Independence and objectivity requirements

ASSESSMENT OF OUR OBJECTIVITY AND INDEPENDENCE AS AUDITOR OF NOTTINGHAMSHIRE COUNTY COUNCIL AND NOTTINGHAMSHIRE PENSION FUND

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

In considering issues of independence and objectivity we consider relevant professional, regulatory and legal requirements and guidance, including the provisions of the Code of Audit Practice, the provisions of Public Sector Audit Appointments Ltd's ('PSAA's') Terms of Appointment relating to independence and the requirements of the FRC Ethical Standard and General Guidance Supporting Local Audit (Auditor General Guidance 1 – AGN01) issued by the National Audit Office ('NAO').

This Appendix is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Breaches of applicable ethical standards;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners, Audit Directors and staff annually confirm their compliance with our ethics and independence policies and procedures. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity.

Appendix 3:

Independence and objectivity requirements (cont.)

Independence and objectivity considerations relating to the provision of non-audit services

Summary of fees

We have considered the fees charged by us to the authority and its affiliates for professional services provided by us during the reporting period.

We confirm that the non-audit services were approved by the Service Director - Finance, Procurement and Improvement (s151 Officer).

Facts and matters related to the provision of non-audit services and the safeguards put in place that bear upon our independence and objectivity, are set out in the following table:

Analysis of non-audit services for the year ended 31 March 2018

Description of scope of services	Potential threats to auditor independence and associated safeguards in place	Value of Services Delivered in the year ended 31 March 2018
Teachers Pension Return 2016/17	Self-interest: These engagements are entirely separate from the audit through separate contracts. In addition, the statutory audit fee scale rates were set independently to KPMG by the PSAA. Therefore, these engagements have no perceived or actual impact on the audit team and the audit team resources that will be deployed to perform a robust and thorough audit.	£3,000
Local Transport Plan Major Projects return 2016/17	Self-review: The nature of this work is auditing these grant returns. The returns have no impact on the main audit. Therefore this does not impact on our opinion and we do not consider that the outcome of this work threatens to our role as external auditors. Consequently we consider we have appropriately managed this threat.	£3,000
(Both performed in 2017/18 but relate to 2016/17)	Management threat: This work will be audit work only – all decisions are made by the Authority. Familiarity: This threat is limited given the scale, nature and timing of the work. Advocacy: We will not act as advocates for the Authority in any aspect of this work. We will draw on our experience in such roles to provide the Authority with a range of approaches but the scope of this work falls well short of any advocacy role. Intimidation: not applicable.	
Total		£6,000

No approval is required from PSAA for the non-audit services above as they are below the relevant threshold. In addition, we monitor our fees to ensure that we comply with the 70% non-audit fee cap set by the NAO

Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Governance and Ethics Committee.

Appendix 3:

Independence and objectivity requirements (cont.)

Confirmation of audit independence

We confirm that as of the date of this report, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Audit Director and audit staff is not impaired.

This report is intended solely for the information of the Governance and Ethics Committee of the authority and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

KPMG LLP

KPMG LLP



kpmg.com/uk



This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment's website (www.psaa.co.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

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14 March 2018**Agenda Item: 10****REPORT OF SERVICE DIRECTOR – FINANCE, PROCUREMENT AND
IMPROVEMENT****CERTIFICATION OF GRANT AND RETURNS 2016/17****Purpose of the Report**

1. To inform Members of the External Auditors' audits of the Teachers' Pension Return and the Local Transport Plan Major Projects S31 AUD Return for 2016/17.

Information

2. Outside of the normal external audit arrangements, KPMG undertook audits of the Teachers' Pension Return 2016/17 and the Local Transport Plan Major Projects S31 AUD return.

Teachers' Pension Return 2016/17

3. The Local Authority is responsible for preparing the End of Year Certificate A (EYOCa) return and ensuring that accounting records are maintained which report the financial position of the Teachers' Pension Scheme.
4. The Teachers' Pension Return 2016/17 had a total value of £27.6 million.
5. The auditors conducted their reasonable assurance engagement and concluded that the Teachers' Pension return for the year ended 31 March 2017 had been prepared, in all material respects, in accordance with the regulations underpinning the Teachers' Pension Scheme.

Local Transport Plan Major Projects S31 AUD Return 2016/17

6. The Local Authority is responsible for compiling the S31 AUD return with relation to the Department for Transport grant received to help fund the Hucknall Town Centre Improvement Scheme. The return sets out that the grant has been used in accordance with the grant agreement.
7. The S31 AUD return 2016/17 had a total value of £4.1 million.
8. The auditors conducted their reasonable assurance engagement and concluded that the S31 AUD return for the year ended 31 March 2017 had been prepared, in all material respects, in accordance with grant conditions underpinning Local Transport Plan Major Projects.

Statutory and Policy Implications

9. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

10. The audit fee associated with the audit of the Teacher's Pension Return was £3,000.00. The audit fee associated with the audit of the Local Transport Plan Major Projects Return was £3,000.00.

RECOMMENDATION/S

- 1) That Members consider the Teachers' Pension Return and the Local Transport Plan Major Project Return audits and associated audit fees.

Nigel Stevenson

Service Director – Finance, Procurement and Improvement

For any enquiries about this report please contact:

Glen Bicknell, Senior Accountant, Financial Strategy and Compliance

Constitutional Comments (KK 05/03/2018)

11. The proposal in this report is within the remit of the Governance and Ethics Committee.

Financial Comments (GB 14/02/2018)

12. The financial implications are set out in the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All

15th March 2018**Agenda Item: 11****REPORT OF THE MONITORING OFFICER****LOCAL GOVERNMENT OMBUDSMAN DECISIONS JANUARY AND
FEBRUARY 2018****Purpose of the Report**

1. The purpose of this report is to inform the Committee about the Local Government Ombudsman's (LGO) decisions relating to the Council in the period January –February 2018.

Information

2. The Committee has asked to see LGO decisions regularly and promptly after the decision notice has been received. This report therefore gives details of all the decisions received since the last report to this Committee in December.
3. The LGO provides a free, independent and impartial service to members of the public. It looks at complaints about Councils and other organisations. It only looks at complaints when they have first been considered by the Council and the complainant remains dissatisfied. The LGO cannot question a Council's decision or action solely on the basis that someone does not agree with it. However, if the LGO finds that something has gone wrong, such as poor service, service failure, delay or bad advice and that a person has suffered as a result, the LGO aims to get the Council to put it right by recommending a suitable remedy.
4. The LGO publishes its decisions on its website (www.lgo.org.uk/). The decisions are anonymous but the website can be searched by Council name or subject area.
5. A total of 6 decisions relating to the action of this Council have been made by the LGO in this period (attached at annex A). No fault (in relation to the Council) was found in any case. Three cases were found to be out of jurisdiction because:
 - the matter had been the subject of a court decision
 - the matters complained of had occurred too long ago (2012)
 - the complainant did not have the service users consent
6. In one Adult Social Care matter fault was found with a Care Home (the service user was self-funding), the Council's safeguarding investigation and follow up was not found to be at fault.
7. There were no themes highlighted within the complaints; the issues were individual to circumstances of each case.

Statutory and Policy Implications

8. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Data Protection and Information Governance

9. The decisions attached are anonymised and will be publically available on the LGO's website.

Financial Implications

10. None

Implications for Service Users

11. All of the complaints were made to the LGO by service users, who have the right to approach the LGO once they have been through the Council's own complaint process.

RECOMMENDATION/S

That members consider:-

1. Whether there are any actions they require in relation to the issues contained within the report.

Jayne Francis-Ward
Monitoring Officer and Corporate Director Resources

For any enquiries about this report please contact:

Jo Kirkby, Team Manager – Complaints and Information team

Constitutional Comments (SLB)

Governance & Ethics Committee is the appropriate body to consider the content of this report. If the Committee resolves that any actions are required it must be satisfied that such actions are within the Committee's terms of reference.

Financial Comments (SES 16/02/18)

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

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All

The Ombudsman's final decision

Summary: Mrs P was the victim of psychological abuse and neglect at Copper Beeches. It also asked her to leave on the false pretext that her needs had changed. Copper Beeches needs to apologise and pay financial redress.

The complaint

1. The complainant, whom I shall refer to as Mrs M, complains about the care her mother, Mrs P, received at Copper Beeches.

The Ombudsman's role and powers

2. We investigate complaints about adult social care providers. We decide whether their actions have had an adverse impact on the person making the complaint. In this statement I refer to this as injustice. If an adult social care provider's actions have caused an injustice, we may suggest a remedy. (*Local Government Act 1974, sections 34B, 34C and 34H(4), as amended*)

How I considered this complaint

3. I have:
 - considered the complaint and the documents provided by Mrs M;
 - discussed the complaint with Mrs M;
 - considered Nottinghamshire County Council's (the Council) records of its safeguarding investigations;
 - shared a draft of this statement with Mrs M, the Council and Copper Beeches, and taken account of the comments received.

What I found

Key facts

4. Mrs P lived at Copper Beeches for over 10 years.
5. A Social Worker who visited Mrs P in March 2017 raised safeguarding concerns about the lack of pressure relieving care. Copper Beeches told the Social Worker a pressure relieving mattress was enough to prevent skin breakdown, along with repositioning if Mrs P was uncomfortable during personal care. The Social Worker said two hourly turns, recording and regular body mapping were required. Nevertheless, Mrs P's skin was intact.
6. The Social Worker returned in April and found records of Copper Beeches turning Mrs P every two hours. The Council substantiated the allegation of neglect.

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7. When the Care Quality Commission (CQC) inspected Copper Beeches in June 2017 it found it was “*inadequate*” overall. This was because it was inadequate in terms of being “*safe*” and “*well-led*”. It also required improvement in terms of being “*effective*”, “*caring*” and “*responsive*”.
 8. On 1 July Copper Beeches gave Mrs P notice to leave. This was on the basis that her needs had changed and she now needed nursing care which Copper Beeches could not provide.
 9. Mrs M reported her concerns about psychological abuse to the Council. She said a member of staff had shouted at her mother, accusing her of reporting allegations to CQC, leaving her frightened.
 10. Mrs P moved to another care home on 27 July.
 11. On 27 July Mrs M wrote to Copper Beeches to complain. She said:
 - staff had abused and threatened her mother on the assumption that she had made derogatory comments about Copper Beeches to the CQC Inspector;
 - the sheets on her mother’s bed had holes in them;
 - there had been no hot water in her mother’s ensuite after 09.00 for months and the toilet was leaking;
 - her mother did not need to move to a nursing home;
 - the meals were unappetising, boring and tasteless;
 - she had to repair a broken wardrobe herself.
 12. The Council visited Mrs P at her new care home and she disclosed further concerns about staff at Copper Beeches. After investigating Mrs P’s concerns the Council “*fully substantiated*” the allegation of psychological abuse. Its records note that Mrs P’s concerns mirrored those raised by other residents. The Council closed its investigation into Mrs P’s concerns as she was now living elsewhere and was therefore no longer at risk from staff at Copper Beeches.
 13. When Copper Beeches replied to Mrs M’s complaint on 28 August, it told her it had asked her to find another care home because it could no longer meet her mother’s needs.
 14. The Council’s assessment of Mrs P found there had been no significant change in her needs. She has not been found to be eligible for Funded Nursing Care and therefore continues to receive residential care.

Did the care provider’s actions cause injustice?

15. In March 2017 Mrs P was found to have been neglected by Copper Beeches as it had not been addressing all her needs relating to skin integrity. This did not cause her a significant injustice, as her skin remained intact. Copper Beeches also followed the Council’s advice on addressing all Mrs P’s needs relating to skin integrity.
16. However, following the CQC inspection staff at Copper Beeches subjected Mrs P to psychological abuse. Copper Beeches also gave Mrs P notice on the basis that her needs had changed when that was not the case. This caused injustice to Mrs P as it left her distressed and frightened in the environment which was meant to be caring for her.

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17. The member of staff who abused Mrs P no longer works at Copper Beeches and has been reported to the Disclosure and Barring Service. CQC is taking action to get Copper Beeches to meet the required standards.
 18. Copper Beeches failed to respond properly to Mrs M's complaint, as it did not address the specific issue she had raised.

Recommended action

19. I recommend Copper Beeches within four weeks:
 - writes to Mrs P apologising for the distress caused to her; and
 - pays Mrs P £500; and
 - writes to apologise to Mrs M for failing to respond properly to her complaint.
20. Under the terms of our Memorandum of Understanding and Information Sharing Agreement with CQC, I will send it a copy of my final decision.

Final decision

21. I have completed my investigation on the basis that Copper Beeches will take the action I have recommended to remedy the injustice it has caused.

Investigator's decision on behalf of the Ombudsman

12 February 2018

Complaint reference:
17 015 508

Complaint against:
Nottinghamshire County Council

Local Government &
Social Care
OMBUDSMAN

The Ombudsman's final decision

Summary: The Ombudsman will not investigate this complaint that a social worker ignored the complainant's concerns about her mother returning to live with her father after she suffered a wrist injury in 2012. This is because the Ombudsman cannot investigate matters the complainant has been aware of for more than 12 months, unless we decide there are good reasons.

The complaint

1. The complainant, whom I refer to as Mrs B, says a social worker ignored her concerns about her mother returning to live with her father after she suffered a wrist injury. Mrs B says her father was then able to take her mother abroad, where she passed away, and he did not arrange for her to be brought home to be buried.

The Ombudsman's role and powers

2. We cannot investigate late complaints unless we decide there are good reasons. Late complaints are when someone takes more than 12 months to complain to us about something a council has done. (*Local Government Act 1974, sections 26B and 34D, as amended*)

How I considered this complaint

3. I have considered Mrs B's complaint to the Ombudsman. I also gave Mrs B the opportunity to comment on a draft version of this statement.

What I found

4. In my view, the restriction detailed in paragraph 2 above applies to Mrs B's complaint. This is because I understand the events occurred in 2012, and I am unaware of any reasons why Mrs B was prevented from complaining to us sooner. I therefore do not consider the Ombudsman should investigate Mrs B's complaint.

Final decision

5. The Ombudsman will not investigate this complaint. This is because the events occurred more than 12 months ago, and I have seen no grounds to exercise discretion to consider this late complaint now.

Investigator's decision on behalf of the Ombudsman

The Ombudsman's final decision

Summary: The Ombudsman has discontinued investigation as Ms C does not have consent to act for Mr D.

The complaint

1. The complainant, who I will call Ms C, says the Council has placed her friend (Mr D) in a care home against his will. Ms C says the care home is dirty and the staff are unprofessional. Ms C says items of Mr D's have gone missing.

The Ombudsman's role and powers

2. We may investigate complaints made on behalf of someone else if they have given their consent. (*Local Government Act 1974, section 26A(1), as amended*)
3. We can decide whether to start or discontinue an investigation into a complaint within our jurisdiction. (*Local Government Act 1974, sections 24A(6) and 34B(8), as amended*)

How I considered this complaint

4. I wrote to Ms C asking for Mr D's consent for her to complain on his behalf.

What I found

5. Ms C has not provided Mr D's consent for her to make a complaint on his behalf.

Final decision

6. I have discontinued investigation on the basis Ms C does not have consent to act for Mr D.

Investigator's decision on behalf of the Ombudsman

5 February 2018

Complaint reference:
17 015 390

Complaint against:
Nottinghamshire County Council

Local Government & Social Care **OMBUDSMAN**

The Ombudsman's final decision

Summary: We cannot investigate Mr F's complaint about the accuracy of information given to a Court in previous and current child care arrangement proceedings. The Health and Care Professions Council is considering his complaint about officer conduct.

The complaint

1. The complainant, whom I shall call Mr F, says the Council's social worker is biased against him, registered his child's birth without including him and has concerns about the safety of the child's carers.

The Ombudsman's role and powers

2. We cannot investigate a complaint about the start of court action or what happened in court. (*Local Government Act 1974, Schedule 5/5A, paragraph 1/3, as amended*)
3. We have the power to start or discontinue an investigation into a complaint within our jurisdiction. We may decide not to start or continue with an investigation if we think the issues could reasonably be, or have been, raised within a court of law. (*Local Government Act 1974, sections 24A(6) and 34B(8), as amended*)
4. We investigate complaints about 'maladministration' and 'service failure'. In this statement, I have used the word fault to refer to these. We must also consider whether any fault has had an adverse impact on the person making the complaint. I refer to this as 'injustice'. We provide a free service, but must use public money carefully. We may decide not to start or continue with an investigation if we believe:
 - it is unlikely we could add to any previous investigation by the Council, or
 - there is another body better placed to consider this complaint. (*Local Government Act 1974, section 24A(6), as amended*)

How I considered this complaint

5. I considered the information Mr F provided with his complaint and the Council's replies which it provided. Mr F commented on a draft version of this decision.

What I found

Background information

6. Mr F is the father to a child, X, who is now cared for by their maternal grandparent. The Court ordered in September 2017 that the maternal

grandmother should be a special guardian (SGO) for X. This means her and her partner care for X and X lives with them.

7. Mr F was party to those Court proceedings. He consented to the Order and got supervised contact as part of it. In December 2017, he issued more Court proceedings for more contact and for it to be unsupervised.
8. Mr F complained to the Council that the Council's social worker's assessment before the SGO hearing was biased against him and inaccurate. He has since complained to the social worker's governing body the Health and Care Professions Council (HCPC) about the officer's conduct.
9. The Council replied to Mr F's complaint in detail in December 2017. It explained the birth certificate registration had been the mother's choice.

Analysis

10. We cannot investigate the accuracy of an assessment given to a Court which the Court then uses to makes its decision.
11. It is reasonable to expect Mr F to tell the Court in his current proceedings if the Council's views are wrong and if this is why he does not have the contact with X he wishes for.
12. The Court approved the current carers. Mr F had the opportunity to tell the Court his concerns during the SGO proceedings and within the current proceedings.
13. The HCPC is considering a complaint about the officer's conduct and it is not appropriate for us to investigate the same issues.
14. It is unlikely our investigation into the birth registration would add significantly to the Council's reply to Mr F's complaint about this. As Mr F has a parental responsibility order, he can apply for the certificate to be reregistered.

Final decision

15. We will not and cannot investigate this complaint. This is because the Court approved the carers, it is reasonable for Mr F to have told the Court of his concerns and it is unlikely we would add significantly to the Council's reply.

Investigator's decision on behalf of the Ombudsman

The Ombudsman's final decision

Summary: It is not possible to decide if a Council officer told Mr X the time of his school admission appeal when they spoke on the day of the appeal.

The complaint

1. The complainant, whom I shall call Mr X, complains there was fault in the way a panel conducted a school admission appeal.
2. He says he did lose the opportunity to attend the appeal because the Council failed to tell him the time of his appeal when he telephoned on the day, having mislaid the letter during a house move three days earlier.

The Ombudsman's role and powers

3. If we are satisfied with a council's actions or proposed actions, we can complete our investigation and issue a decision statement. (*Local Government Act 1974, section 30(1B) and 34H(i), as amended*)
4. We investigate complaints of injustice caused by 'maladministration' and 'service failure'. I have used the word 'fault' to refer to these. We cannot question whether a council's decision is right or wrong simply because the complainant disagrees with it. We must consider whether there was fault in the way the decision was reached. (*Local Government Act 1974, section 34(3), as amended*)

How I considered this complaint

5. I read Mr X's complaint and spoke to him on the telephone. I made written enquiries of the Council and considered the papers it sent me. I considered emails Mr X sent me. I considered the School Admission Appeals Code 2012. I shared a draft of this decision with both parties and invited their comments. I considered those I received.

What I found

What happened?

6. Mr X was due to move to a new house. He applied for a place in Reception at a primary school for his daughter, Y. The Council, which is the admission authority for the school, turned down the application as it was full. Mr X appealed against the refusal.
7. The appeal was due on a Monday. The Council wrote to Mr X with the date. He moved on the Friday before the appeal. He mislaid the letter. He told me he could

not remember the date and time of the appeal, but knew it was close. Mr X telephoned the Council on the Monday to ask the time and date. Mr X says the call was at 11.30am. The Council does not dispute this. This was three hours before the time set for the appeal, at 2.30pm. Mr X's new home and workplace were close to the appeal venue.

8. The two parties disagree about what was said during the call. It was not recorded and there is no corroborating evidence either way.
9. The Council says the officer to whom Mr X spoke told him the appeal was the same day and gave him the time.
10. Mr X says the officer told him he did not know the date and time, but would send him an email. He says he did not receive an email, but discovered the time and date the next day when he found the original letter during unpacking.
11. The School Admission Appeals Code 2012 does not say what panels should do if a parent fails to attend an appeal. The clerk's notes of the appeal show the panel waited 45 minutes beyond the time arranged, then heard the appeal in Mr X's absence. The Council confirmed in response to my enquiries that it is not usual practice to call a parent who does not attend an appeal, but instead to wait ten minutes in case a parent is late. The clerk's notes show the panel left a list of questions it would have asked Mr X had he been present. These included if he had completed his house move.
12. Mr X says, had he attended the appeal, he would have made more points he did not include in his written case.
13. The School Admission Appeals Code 2012 states that Councils can accept a fresh application if they feel there is a significant change of circumstances that justifies it. The Council confirmed it would not regard Mr X's change of address as new information justifying a fresh application.

Was there fault?

14. The two accounts of Mr X's call to the Council officer are completely different. The officer says he told Mr X the time. Mr X says the officer did not, but instead agreed to find out and email him the time. They cannot both be right. I do not need to be certain about a matter to reach a view. But there is no corroborating evidence either way that would allow me to reach a view that one version of what was said on the telephone is more probable than the other. Without corroborating evidence, I cannot say which party is right. For that reason alone, I cannot find fault.
15. As the School Admission Appeals Code 2012 is silent on the matter of what to do if a parent does not attend an appeal, I cannot say the Council's usual practice is fault.
16. The same Code leaves it to an admission authority's discretion whether a matter is a significant change of circumstances justifying considering a fresh application. The Council can therefore decide Mr X's change of address does not justify considering a fresh application.

Final decision

17. I have not upheld the complaint as it is not possible to decide on the balance of probabilities what was said during a telephone call.

Investigator's decision on behalf of the Ombudsman

The Ombudsman's final decision

Summary: The Ombudsman will not investigate Mr P's complaint that the Council's Schools Admissions Appeal Panel failed to provide his child with a place at School X. It is unlikely the Ombudsman would find fault which caused him to lose out on a school place.

The complaint

1. The complainant, whom I shall call Mr P, says the Council's Schools Admissions Appeal Panel did not properly consider his appeal for a place for his child, D, at School X.

The Ombudsman's role and powers

2. We investigate complaints about 'maladministration' and 'service failure'. In this statement, I have used the word fault to refer to these. We cannot question whether a school admissions appeals panel's decision is right or wrong simply because the complainant disagrees with it. We must consider if there was fault in the way the decision was reached. If we find fault, which calls into question the panel's decision, we may ask for a new appeal hearing. (*Local Government Act 1974, section 34(3), as amended*)
3. We must also consider whether any fault has had an adverse impact on the person making the complaint. I refer to this as 'injustice'. We provide a free service, but must use public money carefully. We may decide not to start or continue with an investigation if we believe:
 - it is unlikely we would find fault, or
 - the fault has not caused injustice to the person who complained. (*Local Government Act 1974, section 24A(6), as amended*)

How I considered this complaint

4. I considered the information Mr P provided with his complaint. The Council provided me with the notes from the Appeal Panel hearing, the documents the Appeal Panel had and its decision letter. Mr P commented on a draft version of this decision.

What I found

Background information

5. Mr P applied on time for a place for his child, D, to start in September 2016 in Reception at School Y. He was unsuccessful and was allocated a place at School

X. He turned this down. He said he wanted D to go to School Y which D's siblings attended. And it was too difficult to get D to School X. D went to an independent school from September 2016.

6. Mr P appealed for a place at School Y then to the school's adjudicator and following their decision he made a further appeal for School Y. The process has been lengthy and unsuccessful.
7. Mr P says the school fees are a huge strain on the family finances and affect the lifestyle they are able to provide the whole family. He decided to seek a place at School X in October 2017. School X is now full for Year One. There are 30 pupils in the year and three teachers for the three infant years.
8. Mr P appealed the decision not to award a place at School X for D, to an Independent Appeal Panel who heard the case in November 2017. Mr P says he was not given enough time at the appeal to present his case. He felt the Appeal Panel rushed him.
9. The Appeal Panel refused Mr P's appeal and he complained to us.

The appeals panel's and Ombudsman's role

10. Independent appeal panels must follow the law when considering an appeal. The law says the size of an infant class must not be more than 30 pupils per teacher. There are only limited circumstances in which more than 30 children can be admitted. These are called excepted pupils.
11. There are special rules governing appeals for Reception and Years 1 and 2. Appeals under these rules are known as "infant class size appeals". The rules say the panel must consider whether:
 - admitting another child would breach the class size limit;
 - the admission arrangements comply with the law;
 - the admission arrangements were properly applied to the case;
 - the decision to refuse a place was one which a reasonable authority would have made in the circumstances.
12. What is 'reasonable' is a high test. The panel needs to be sure that to refuse a place was "perverse" or "outrageous". For that reason panels rarely find an admission authority's decision to be unreasonable in light of the admission arrangements.
13. We cannot question the decision if it has been properly taken. If the Appeal Panel has been properly informed, and used the correct procedure, then it is entitled to come to its own judgment about the evidence it hears.

The appeal in this complaint

14. The Council clearly told Mr P before the appeal the place had been refused because of the Infant Class Size rules. It also clearly explained what this meant.
15. The notes of the appeal hearing provide evidence the Appeal Panel followed the correct procedure. The Appeal lasted over an hour and a half. This is considerably longer than the average appeal. At the end of the appeal the notes show a copy of Mr P's additional written case was given to each Appeal Panel member to consider. His additional document is 18 pages long. Mr P says he was not given enough time after the first 20 minutes to explain what had happened with his appeal for a place at School Y and his views on why the Council's

processing of his application for School Y was flawed. This appeal in this complaint is about his application to School X not School Y.

16. The Appeal Panel decided that admitting another child to School X would breach the infant class limit for the school year 2016/17. There will be 30 pupils per teacher. A school can only admit more than 30 pupils per teacher if the extra pupils are classified as excepted pupils. D does not meet the criteria as an excepted pupil.
17. The Appeal Panel considered the admission arrangements and decided they complied with the law.
18. The Appeal Panel was also satisfied that the admission arrangements had been properly applied for Mr P's application for School X.
19. The Appeal Panel's decision letter records the reasons Mr P presented at the Appeal Panel for wanting a place. It is clear the Appeal Panel considered Mr P's reasons for wanting a place and decided the decision to refuse a place was one which a reasonable authority would have made in the circumstances and in light of the admission arrangements.
20. It is unlikely we would find fault in the Appeal Panel's decision. The information I have seen supports the Appeal Panel's decision.

Final decision

21. We will not investigate Mr P's complaint because it is unlikely we would find fault.

Investigator's decision on behalf of the Ombudsman

14 March 2018**Agenda Item: 12**

REPORT OF THE CORPORATE DIRECTOR OF RESOURCES

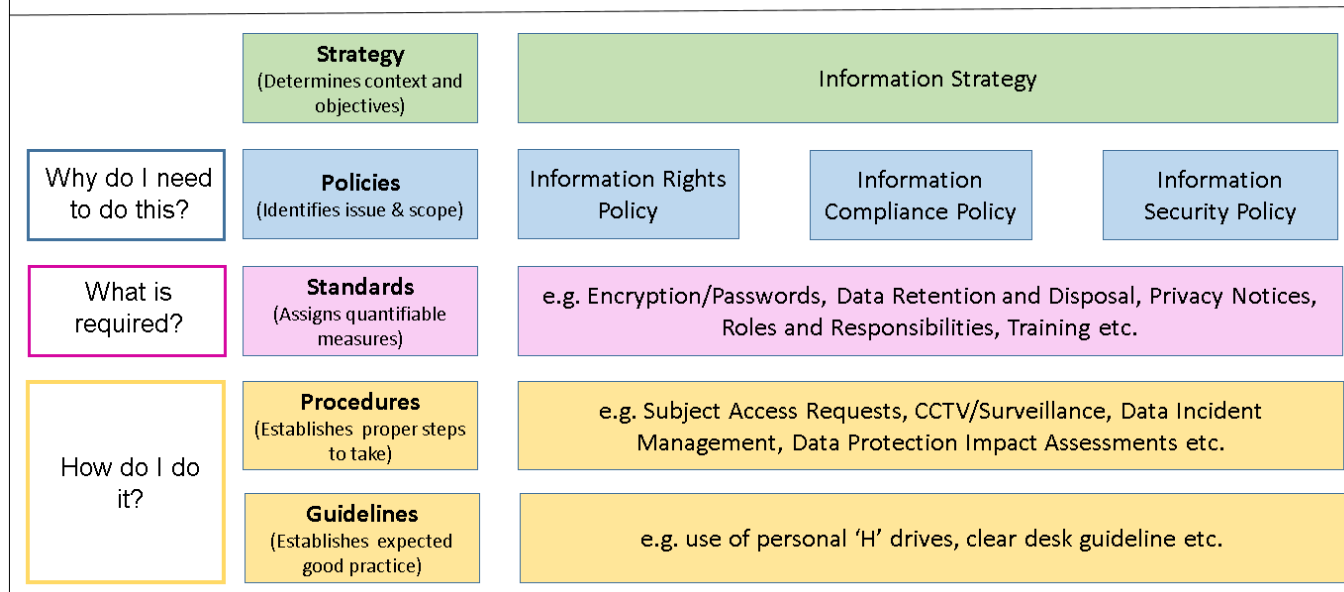
INFORMATION GOVERNANCE FRAMEWORK AND KEY POLICIES

Purpose of the Report

1. The purpose of the report is to seek views from Governance and Ethics Committee on the proposed Information Governance framework and key policies and seek approval to recommend the framework and policies for adoption by Policy Committee.

Information and Advice

2. The Council's Information Governance (IG) approach is currently undergoing a programme of improvement, approved by Policy Committee in June 2017. The most pressing imperative for improvement is the EU-wide General Data Protection Regulation (GDPR). This will be brought into UK law on 25th May 2018 and will be supplemented by a new Data Protection Act (2018).
3. The legislation responds to the digital age and strengthens the control and rights that citizens have over their own personal data. The new law places increased information governance and data protection obligations on the Council (and other data controlling / processing organisations). It also introduces significantly higher penalties for worst case personal data breaches and failure to evidence compliance with the law (maximum fines of £17m and £8.5m respectively).
4. The advent of GDPR presents an opportunity to put in place a coherent suite of policies and procedures that will comply with the new law and support the workforce to understand and implement our revised approach to information governance.
5. Effective policies and procedures are an important aspect of the documented compliance regime that will evidence that the Council has actively considered and designed approaches to ensure robust data protection is in place.
6. The proposal is to have an overarching Information Governance Framework (Appendix A) underpinned by the following key policies:
 - Information Rights policy mainly aimed at the public (Appendix B)
 - Information Compliance policy mainly for staff (Appendix C)
 - Information Security policy mainly for technical ICT staff (Appendix D)
7. The following schematic sets out the proposed Framework.



8. The framework and key policies have been developed in line with good practice from elsewhere (predominantly Warwickshire County Council and Essex County Council) taking account of the Council's own governance, structures, processes and culture.
9. An Information Strategy which runs until 2018 is in place. Whilst this has been somewhat superseded developments since it was approved, it is not proposed to amend this now as there are more pressing demands elsewhere in respect of GDPR compliance.
10. As can be seen from the schematic there are a number of standards, procedures and guidelines that will form part of the Framework. The intention is to take these to the Information Governance Group for approval in the months to May 2018.
11. Once agreed, the IG Framework and all associated policies, standards and procedures will be posted, as appropriate on individual internet and intranet pages for ease of reference.
12. The Framework and associated policies, procedures, standards and guidelines will need to be actively reviewed in accordance with the date specified in the documents. However, it should be noted that there remains a number of uncertainties regarding the implementation of GDPR, most notably the fact that the Data Protection Act 2018 has yet to be passed; guidance is still emerging from key EU and UK data protection bodies and there is no case law established. Against this background, the documents which comprise the Information Governance Framework may need to be reviewed as more information becomes available.
13. As reported to Governance and Ethics Committee in December 2018, there is a key risk that the Council, like nearly every other data controlling / processing organisation in Europe, will not be GDPR compliant by 25th May 2018. The Information Commissioner's Office (the data protection supervisory authority for the UK) has acknowledged this but is

expecting organisations to have a clear risk-based approach and plan to achieve full compliance.

14. It should be noted that the IG Framework and its policies are a statement of intent. The Council is on a journey to GDPR compliance and is using a risk based approach to prioritise information governance improvements. This means that there will be some areas of policy which will not be immediately implementable but there will be clear plans in place to address these gaps over time and performance will be monitored.
15. Mandatory basic data protection and information security training is being rolled out to all staff across the Council from late February. The intention is that this will be completed by April 2018 and will be supplemented by policy / procedure briefings during May 2018.

Other Options Considered

16. The Council must have up-to-date policies and procedures in place to underpin compliance with GDPR. The approach outlined in this report builds upon good practice from other local authorities which are more advanced in this agenda than Nottinghamshire County Council is at this moment in time.

Reason/s for Recommendation/s

17. The Council requires updated policies to meet the new legislative requirements of GDPR.

Statutory and Policy Implications

18. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

- 1) Committee considers the Information Governance Framework; Information Rights Policy; Information Compliance Policy; and Information Security Policy attached at appendices A, B, C and D respectively and recommends them to Policy Committee for approval.

Heather Dickinson

Group Manager for Legal, Democratic Services and Complaints

For any enquiries about this report please contact: Caroline Agnew

Constitutional Comments [HD – 14/2/2018]

36. Governance and Ethics Committee has the authority to determine the recommendations within the report.

Financial Comments [SES – 28/2/2018]

37. There are no specific financial implications arising directly from this report.

HR Comments [JP – 20/2/2018]

38. The HR Implications are contained in the body of the report

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Information Governance Improvement Programme – Programme Plan

Electoral Division(s) and Member(s) Affected

All

Information Governance Framework

Version: To be inserted upon approval

Author: Caroline Agnew

Date of Issue: To be inserted upon approval

Review date: To be inserted upon approval

Protective Marking: Official

Approvals

V	Approval Body	Date
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V	Reviewing Body	Change Description	Date
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Introduction

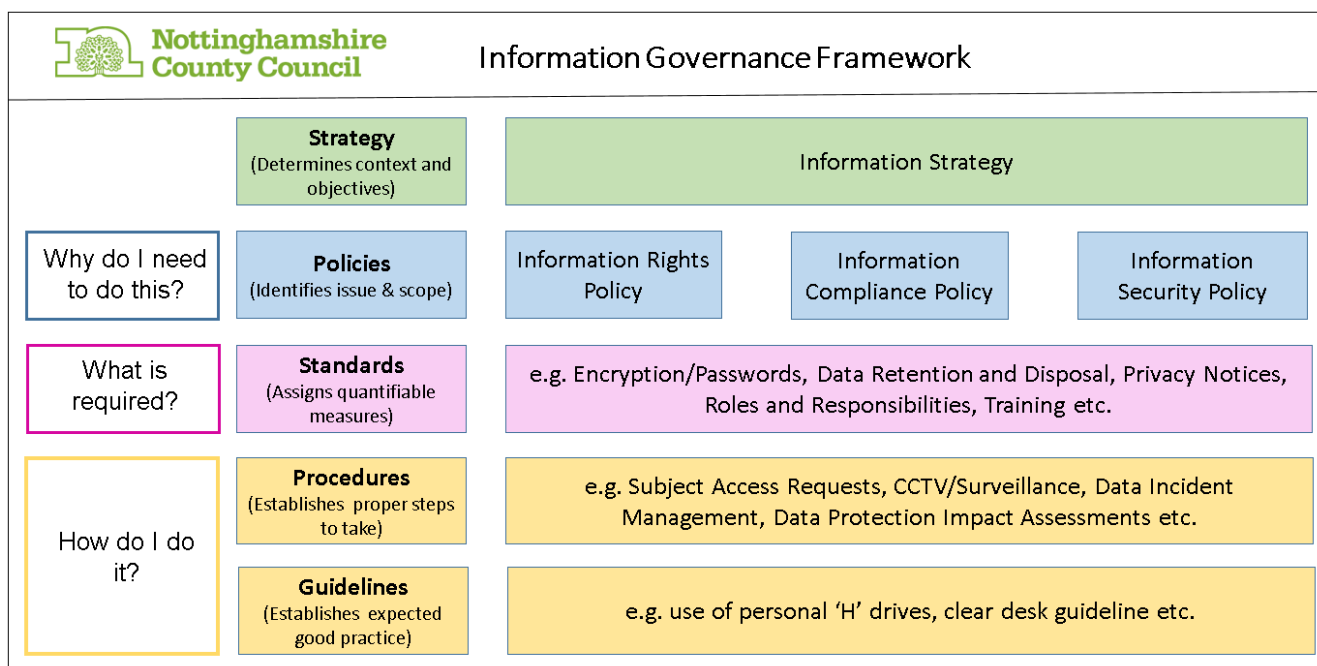
1. Information is a vital asset for the provision of services to the public and for the efficient management of Council services and resources. It plays a key part in governance, service planning and delivery as well as performance management.
2. *“Governance is about how the County Council ensures it is doing the right things, for the right people, in the best way, in a timely, inclusive, open and accountable manner.”*
3. Information governance is concerned with how information is held, obtained, recorded, used and shared. Information is used here as a collective term to cover terms such as data, documents, records and content (electronic and paper).
4. It is essential that the Council has a robust information governance framework, to ensure that information, particularly personal and sensitive information, is effectively managed with accountability structures, governance processes, documented policies and procedures, staff training and appropriate resources.

Scope

5. The principles and commitments set out in this Framework and associated documents apply to all members, employees, trainees / apprentices and volunteers of the County Council and to contractors, suppliers and partners delivering County Council services on our behalf.
6. This Framework and associated documents does not apply to schools who are individually responsible for ensuring that they comply with Data Protection and Freedom of Information legislation.

Key policies

7. The key policies in this information governance framework are the:
 - **Information Rights Policy** – aimed at the public
 - **Information Compliance Policy** – aimed at all staff
 - **Information Security Policy** – aimed at staff and ICT specialist staff
8. These policies are supported by standards, procedures and guidelines which are shown in the framework diagram below.



9. Outputs will be produced from use of these standards and procedures, for example Data Protection Impact Assessments, awareness guides and training material.
10. The framework and associated policies, procedures and standards can be found at: [\[link to be inserted upon approval\]](#)

Senior roles

Committees and Elected Members

11. Policy Committee is the lead Elected Member body responsible for decision making in respect of Council policies.
12. Governance and Ethics Committee has responsibility for overseeing performance and compliance in respect of agreed information governance policies. It also has a decision making responsibility in respect of the information governance approach and performance.

Chief Executive and Corporate Leadership Team

13. The Chief Executive is the Head of Paid Service who leads the Council's staff and advises on policies, staffing, service delivery and the effective use of resources.
14. The Chief Executive, together with Corporate Directors and a few other senior officers, form the Council's Corporate Leadership Team (CLT) which ensures the delivery of an effective Council-wide information governance approach.

Senior Information Risk Owner (SIRO)

15. The Senior Information Risk Owner (SIRO) is responsible for managing information risk in the Council and chairs the Information Governance Group. The SIRO:

- fosters a culture for protecting and using information within the Council
- ensures information governance compliance with legislation and Council policies
- provides a focal point for managing information risks and incidents
- prepares an annual information risk assessment for the Council
- gives strategic direction to the work of the Data Protection Officer (DPO)

Caldicott Guardians

16. The Caldicott Guardians are responsible for ensuring that all personal/patient identifiable information handled on behalf of the Council, are compliant with existing law and standards and they act to safeguard the rights of service users. The Caldicott Guardian ensures that satisfactory information governance policies are in place for their service and adhered to by all staff and providers in their service area.

Data Protection Officer

17. The Data Protection Officer (DPO) is responsible for advising, monitoring and reporting the Council's compliance with the General Data Protection Regulation (GDPR) and any relevant UK legislation. The GDPR is the EU-wide legislation on data protection which becomes law with effect from 25 May 2018. Formal duties are defined by the GDPR and include raising awareness of data protection requirements, leading information audits, advising on and reviewing data protection impacts and information sharing and investigating data breaches and incidents. They will also cooperate with, and be the key point of contact for, the Council's liaison with the Supervisory Authority (currently the UK Information Commissioner's Office).

Information Asset Owners

18. Each Service Director is an Information Asset Owner who is accountable for identifying, understanding and addressing risks to the information assets within their directorates as well as ensuring good information governance.

Information Asset Managers

19. Each Group Manager is an Information Asset Manager who is responsible for the information assets and wider information governance within their business unit. They ensure information is held, used and shared appropriately and support the Information Asset Owner to address risks to the information.

Team / Service Managers

20. Each Team or Service Manager understands and records the information assets for their business unit and supports the Information Asset Manager and Owner to address risk

and safeguard assets. They also promote good information governance practice amongst their staff.

21. A role descriptor sets out in more detail the information governance responsibilities attributable to staff at each of these levels of the organisation.

Information Systems Owners

22. All information systems within the Council will have an assigned System Owner. Systems Owners are responsible for information systems. They will ensure system operating procedures are in place and are followed. They have responsibility to recognise actual or potential security incidents, consult their Information Asset Owners on incident management, and ensure that information systems are accurate and up to date.
23. All of the roles referenced above with a specific responsibility for information governance have an appropriate descriptor setting out responsibilities and expectations of the role.

Key governance bodies

24. The Information Governance Group (IGG) role and responsibilities include:
 - Ensure a comprehensive and current Information Governance Framework is in place and operating effectively throughout the Council.
 - Review and approve information governance procedures and standards.
 - Lead the organisation's approach to controlling and managing information risk.
 - Consider and address issues arising from reports of the Data Protection Officer.
 - Coordinate information governance activities (data protection, information requests, security, quality, and records management) across the Council.
 - Monitor information handling and breaches, implement assurance controls (including audits as required) and take corrective actions
 - Ensure training and action plans for information governance are progressed throughout the Council and evaluate its impact and effectiveness.
 - Communicate and champion the information governance agenda and the work of the Group.
25. The Group comprises the SIRO (Chair), Caldicott Guardians, Data Protection Officer, Senior Information Governance Advisor, representatives from Legal, Democratic Services and Complaints, Human Resources, Information and Community Technologies and each of the Departments within the Council.

Risk, Safety and Emergency Management Groups

26. Each Department has a Risk, Safety and Emergency Management Group whose role is to consider and address information governance risks within that Department, as part of a wider risk management agenda. The Group comprises senior staff from the relevant department, including the representative who will

also sit on the Information Governance Group, in order that there is a reporting and feedback link between the two Groups.

Resources

27. The Council has dedicated resources to support the implementation of its Information Governance Framework.
28. The Information Governance team will develop training and provide expert advice and guidance to all staff on Information Governance. It will develop, review and monitor compliance the Information Governance Framework of policies, standards and procedures and will support the DPO in carrying out their role.
29. The Complaints and Information team processes corporate information and Subject Access Requests, Freedom of Information requests and Environmental Information requests.
30. The IT Security team is the lead for cyber security management and advice for the Council's IT infrastructure, and for the annual IT Health Check for the PSN (Public Sector Network) Accreditation.
31. The Records Management Service provides records management advice and storage to all departments of the County Council. It controls the quantity and length of time that paper records are retained by carrying out annual reviews and maintains an audit log of information use.
32. The Solutions 4 Data Service provides a digitisation service which enables paper documents to be scanned and indexed to enable easy retrieval.
33. The Legal Services team provides expert legal advice on information governance matters to all service teams, including the Complaints and Information and Information Security teams.
34. The Internal Audit Service provides independent assurance of the Council's approach to risk management, control and governance in order that systems and processes are made more effective.
35. There will be identified roles in the Groups whose role includes some aspects of information governance and ensuring compliance. These will vary according to the services provided.

General responsibilities

36. All Council directors and managers are responsible for promoting and monitoring the implementation and adherence of this Information Governance Framework and its associated standards, procedures and guidelines within their directorates and services.

- 37. All staff are responsible for ensuring they apply this Information Governance Framework its associated standards, procedures and guidelines to all their work and the information they handle.
- 38. Wilful or negligent disregard for information governance policies and procedures will be investigated and may be treated as a disciplinary matter which could lead to dismissal or the termination of work agreement or service contracts.

Training and guidance

- 39. Information Governance training for all staff will be mandatory at induction and periodically thereafter, in line with the corporate training standard for information governance.
- 40. Seconded, agency, voluntary and other staff with access to Council systems and data will be required to undertake the training in line with requirements of staff unless evidence of equivalent training is provided through an exceptions process,
- 41. Further modules, as appropriate, for specific information governance and / or certain business roles will be available through e-learning and / or classroom sessions, developed internally or through recognised providers. The requirements and standards for these will be developed, agreed and kept under review.
- 42. Training compliance will be monitored by the Information Governance Group and at an individual level through Employee Performance and Development Reviews (EPDRs).
- 43. Awareness sessions may be given to staff as required, at team meetings or other events.
- 44. Regular reminders on information governance topics are made through corporate and local team briefings, staff news and emails and, on occasions, through targeted publicity campaigns.
- 45. Policies, procedures, standards and advice are available to staff at any time on the Information Management pages at: [Link to be inserted upon approval](#)

Monitoring and review

- 46. This Information Governance Framework will be monitored and reviewed annually in line with legislation and codes of good practice.
- 47. The policies, procedures, standards and guidance that form part of the Framework will be reviewed as set out in the individual documents.
- 48. A detailed review and change log of all documents which comprise this Framework will be maintained by the Information Governance team.

49. Further Information

Details to be inserted upon approval

Appendices

External legislation

50. External legislation related to this policy includes

- [General Data Protection Regulation](#) (from 25 May 2018)
- [Data Protection Act 1998](#) (to May 25 2018)
- [Human Rights Act 1998](#)
- [Freedom of Information Act 2000](#)
- [Environmental Information Regulations 2004](#)
- [Local Government Acts](#)
- [Copyright, Design and Patents Act 1998](#)
- [Computer Misuse Act 1990](#)

Information Rights Policy

Version: To be inserted upon approval
Author: Caroline Agnew
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Review date: To be inserted upon approval
Protective Marking: Official

Approvals

V	Approval Body	Date
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Review

V	Reviewing Body	Change Description	Date
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Introduction

1. This policy sets out the statement of intent that Nottinghamshire County Council (NCC) and its staff will follow with regard to the public's information rights. For general public access this is often referred to by the name of the legislation, i.e. Freedom of Information and Environmental Information, and for personal information the Data Protection Act and the General Data Protection Regulation (GDPR).
2. We hold information in order to provide services to the public. Where practical we make available public information through our website, in leaflets and on request. We need to restrict publication of some information because it is confidential, may have a copyright attached or contains personal information about other people.
3. We hold personal information to provide services to individuals and an individual has a right to request access to their records and information held about them (Subject Access Request). People should be confident that we handle their personal information responsibly and in line with good practice.
4. This policy forms part of the Council's Information Governance Framework and will be implemented by setting standards and procedures for Council staff, with further guidance to help the public and staff.

Definitions

5. "We" means the County Council and includes all members, employees, trainees / apprentices and volunteers of the County Council and contractors, suppliers and partners delivering County Council services on our behalf.
6. Information is used here as a collective term to cover terms such as data, documents, records and content, audio recordings, digital and photographic images etc.
7. Processing is any operation or set of operations which is performed on personal information such as collection, recording, storing, alteration, retrieval, use, disclosure, destruction etc
8. Personal information means any identifiable data or information relating to a living individual (i.e. a person who can be identified, directly or indirectly, by reference to an identifier such as a name, an identification number, online identifier etc).
9. Council information includes any data or information that is held by us on behalf of individuals, business, partners or that we create in order to carry out our services.

Scope

10. The principles and commitments set out in this policy apply to all members, employees, trainees / apprentices and volunteers of the County Council and

to contractors, suppliers and partners delivering County Council services on our behalf.

11. Members of the Council should note that they are also data controllers in their own right and are responsible for ensuring any personal information they hold/use in their role as Members is treated in accordance with the relevant legislation.
12. This policy does not apply to information held by schools who are individually responsible for ensuring that they comply with Data Protection and Freedom of Information legislation. If a request concerns data protection in a school or a wish to access school records, the requester should contact the Head Teacher of the relevant school.

Personal information

13. We will handle all personal information in a safe, responsible and secure manner.
14. We will meet our obligations to protect personal data and the rights to privacy. This will be in accordance with the principles of the General Data Protection Regulation, Data Protection and Human Rights Acts and other relevant legislation and common law.
15. We will consider and address the risks to personal information when we are planning to use or hold personal information in new ways. For example, when are introducing new systems, or new ways of working.
16. We will review and may take disciplinary or contractual action if staff or contractors misuse or do not look after personal information properly.
17. We may need to share personal information in order to perform our statutory duties and legal obligations.
18. We will provide and publish complete and current privacy notices which explain why we collect personal information, how we use and share information and the rights that people have over their data.
19. In some circumstances we will not rely on, or ask for, individuals' consent to use and share their personal information. Specifically, in relation to information which is sensitive in nature, consent will not be relied on where use and/or sharing of the information is:
 - a. Necessary for health or social care purposes and under the supervision of a health or social work professional or another professional who owns a comparable duty of confidentiality or
 - b. In the substantial public interest and in relation to statutory functions and responsibilities or
 - c. In the substantial public interest and in relation to the prevention or

detection of crime

20. We will keep a record of all the types of activity where, in accordance with paragraph 17 above, consent is not required. The record will explain how our use of information complies with data protection law and how long that information will be retained.
21. Data protection law gives individuals the right to object to their personal information being used and shared. However there are some exemptions to this right.
22. We will keep a record of the types of activity where the Council may refuse a request for an individual's information not to be used or shared. Requests will be considered on a case by case basis.
23. Individuals are entitled to request a copy of the personal information that is held about them by making a 'subject access request'.
24. We will take reasonable steps to verify the identity of the requester prior to providing access to their personal data.
25. We will respond to a 'subject access request' as soon as possible and within the relevant statutory timescales.
26. Where reasonable and practical, we will provide the information in the format requested.

Public information

27. We wish to be an accountable and transparent Council and will publish a range of non-personal information for the public to access and in a reusable format.
28. We will provide as much open access to our information as possible and through a Publication Scheme. Wherever possible, information will be available in digital format from our website www.nottinghamshire.gov.uk.
29. We will provide information unless there is a legal justification for withholding it. Where we refuse to provide information, we will clearly and fully explain the reasons why.
30. We will state if any charges, or restrictions on use, apply in respect of requests for both general and personal information.
31. We will set out clear procedures for requesting and responding to formal requests for general information and we will respond within the relevant statutory timescales set out in guidance for the public.
32. Both in respect of personal and public information, we will set out clear

procedures for asking for an internal review if you are not satisfied with our response and will ensure your concerns are dealt with appropriately.

33. Both in respect of personal and public information, where a requestor has made a complaint, we will advise them that they may complain to the Information Commissioner's Office if they remain unhappy with the outcome.
34. In line with our Equality Policy, we will treat people justly and fairly when they are exercising their rights and in dealing with requests for information.

Responsibilities

35. Nottinghamshire County Council is the overall body responsible for responding to requests for information which it holds, with the legal obligations being enforced by the Information Commissioner's Office and the courts.
36. Specific responsibilities for staff within the Council are as follows:

Staff member/group	Responsibility
All staff and others working for or on behalf of NCC.	Awareness of the relevant legislation relating to requests for information
All staff and others working for or on behalf of NCC.	Understanding and adhering to this Policy and its related procedures
Data Protection Officer	Establishing arrangements to monitor and report on compliance with this policy and provide support and advice and training.
Complaints and Information Team	Maintaining a record of all requests for information, coordinating responses and managing liaison with requestor (except Human Resources)
HR Service	Maintaining record of all requests for information and managing liaison with requestor (Human Resources records)
All managers	Compliance with and implementation of this policy within their teams

Monitoring and review

37. This policy and the supporting standards will be monitored and reviewed annually in line with legislation and codes of good practice.

Appendices

38. NCC information standards, procedures and guidelines which support this policy, which at the time of this policy's approval include:
 - Links to be inserted upon approval

Further Information

39. Further Information

Link to be inserted upon approval

40. The Information Commissioners Office is the UK's independent authority set up to uphold information rights in the public interest, promoting openness by public bodies and data privacy for individuals.

Website: <http://ico.org.uk/> Telephone: 0303 123 10

41. External legislation related to this policy includes

- [General Data Protection Regulation \(from 25th May 2018\)](#)
- [Data Protection Act 1998](#) (to May 25th 2018)
- [Human Rights Act 1998](#)
- [Freedom of Information Act 2000](#)
- [Environmental Information Regulations 2004](#)
- [Local Government Acts](#)
- [Copyright, Design and Patents Act 1998](#)

Information Compliance Policy

Version: To be inserted upon approval
Author: Caroline Agnew
Date of Issue: To be inserted upon approval
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Review

V	Reviewing Body	Change Description	Date
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Introduction

1. This policy sets out the approach that Nottinghamshire County Council (NCC) will follow with regard to information compliance.
2. The policy and associated standards and procedures are **mandatory** and must be followed. It forms part of the Council's **Information Governance Framework**. The Framework also includes:
 - Our **Information Rights policy** which sets out the rights the public and employees have to access personal and public information.
 - Our **Information Security policy** which sets out the approach that NCC will follow with regard to information security.
3. We will apply this policy and good information governance to all our work and the information we handle, in recognition of our duty to the public as well as complying with legislation.

Definitions

4. "We" means the County Council and includes all members, employees, trainees / apprentices and volunteers of the County Council and contractors, suppliers and partners delivering County Council services on our behalf.
5. Information is used here as a collective term to cover terms such as data, documents, records and content whether in paper or electronic format.
6. Personal information means any identifiable data or information relating to a living individual (i.e. a person who can be identified, directly or indirectly, by reference to an identifier such as a name, an identification number, online identifier etc).
7. Processing is any operation or set of operations which is performed on personal information such as collection, recording, storing, alteration, retrieval, use, disclosure, destruction etc
8. Council information includes any data or information that is held by us on behalf of individuals, business, partners or we create in order to carry out our services.

Scope

9. The principles and commitments set out in this policy apply to all members, employees, trainees / apprentices and volunteers of the County Council and to contractors, suppliers and partners delivering County Council services on our behalf.

10. Members of the Council should note that they are also data controllers in their own right, and are responsible for ensuring any personal information they hold/use in their role as Members is treated in accordance with the relevant legislation.
11. This policy does not apply to information held by schools who are individually responsible for ensuring that they comply with Data Protection and Freedom of Information legislation. If a request concerns data protection in a school or a wish to access school records, the requester should contact the Head Teacher of the relevant school.

Protecting personal and confidential information

12. We will meet our obligations in line with the principles of the Data Protection and Article 8 of the Human Rights Acts and other relevant legislation, recognising the rights to privacy of living and deceased individuals.
13. We will maintain an up to date entry in the Public Register of Data Controllers or any other register required by the appropriate regulatory authority (currently the Information Commissioner's Office).
14. We will need to share some personal data in order to deliver services, perform our duties and legal obligations but will only do so where we have consent or a legal power to do so.
15. We will only rely on consent as a condition for processing personal data if there is no relevant legal power or other condition. Consent will be obtained for any promoting or marketing of goods and services.
16. We will provide and publish complete and current privacy notices which explain why we collect personal information, how we use and share information and the rights that people have over their data.
17. We will only collect and process the minimum amount of personal data necessary to deliver services.
18. We will process and keep personal and confidential information safe and secure at all times, including at the office, public areas, home or in transit. Such information will not be disclosed or discussed except in the performance of normal work duties and only where the recipient is authorised to receive it.
19. Our staff will ensure that their working time is used efficiently on delivering our business outcomes, they maintain our reputation and that IT and other facilities resources are used effectively.

20. We will ensure that privacy risks and implications are formally considered, addressed and documented where there are plans for any new (or change to an existing) system or process which processes personal data. This will typically be done through a Data Protection Impact Assessment (DPIA).

Creating, storing and managing information

21. We will take reasonable steps to ensure the personal data held is accurate, up to date and not misleading. Where opinions or intentions about service users are recorded, this will be done carefully and professionally.
22. We will maintain record of information assets and associated data processing activities.
23. We will classify and use information according to its risk, sensitivity, value, and importance in accordance with our Information Classification and Handling Standard.
24. Personal and Council information will only be stored in approved locations (e.g. paper archives, office cabinets, devices, networks, systems) and in accordance with our Information Security Policy and associated standards and procedures.
25. We will consider the audience and presentation format to make information accessible.
26. We will follow the relevant procedure when personal data needs to be anonymised or pseudonymised, for example for research purposes.

Giving access to information

27. We will respect people's right to access personal and public information that the Council creates, owns or holds and assist them in accessing it. Requests from individuals or their representatives for access to, or copies of, their personal data, will be referred to the Complaints & Information team and handled.
28. Access Requests will be centrally coordinated as set out in the Subject Access Requests procedure. [LINK](#) to be inserted upon approval.

Sending and sharing information

29. We will ensure that any information sharing is undertaken confidentially, securely, legally and consistently and in line with our service standards and procedures. This will include:

- a) use of secure email and encryption for sending electronic information and tracking for paper documents.
- b) ensuring that Information Sharing Agreements and Data Processing Agreements are in place, where deemed necessary and that the terms of those agreements are observed.
- c) That personal data is only shared with external bodies where there is an Information Sharing Agreement or other legal basis for sharing.
- d) That personal data is not shared with an individual or organisation based in any country outside of the European Economic Area (EEA) unless there is express permission to do so following a Data Protection Impact Assessment.

Archiving, preserving and disposing of information

- 30. We will have a Retention Standard [LINK to be inserted upon approval] to ensure information is retained in accordance with legislation and NCC standards. The Retention Standard will be periodically reviewed for changes in legislation and the Council's business needs.
- 31. We will only retain information for the time period applicable to the Retention Standard.
- 32. We will dispose of paper and electronic information classified as personal or confidential using the appropriate standards and procedures.

Third Party suppliers and off-site hosting

- 33. We will ensure processing carried out by third parties on our behalf complies with the provisions of the General Data Protection Regulation, data protection and other appropriate legislation and standards.
- 34. Our staff (including Managers, Commissioners, Contract Managers and Project Managers) will make appropriate contractual arrangements, in conjunction with legal services, where information is processed by third parties on behalf of the Council to ensure its security, transfer, appropriate use, disposal and/or return at the end of the contract.

Alternative Service Delivery Models

- 35. Our staff (particularly including Project Sponsors and Project Managers) are responsible for considering information governance implications and addressing risk from the outset when planning alternative models of service delivery.

Accessing and securing information

- 36. Our staff and those working on our behalf will only view or attempt to view personal information that is necessary for their role and business need. They

will follow system user guidance or other formal processes which are in place and ensure that only those with a business need to access personal data are able to do so.

37. We will keep all NCC paper information locked away when not in use and take all reasonable measures to keep information secure and out of sight when taken out of NCC premises.
38. Our staff and those working on our behalf will not allow unauthorised access to NCC equipment and information, or knowingly introduce any security threat.
39. We will ensure that all Council information and equipment owned or held by us is recorded and is transferred or returned to us by staff or other approved users before they leave the Council.

Information breaches

40. Information breaches are not always obvious and can result from a wide range of situations. For example, the loss or theft of a mobile phone, paper documents or laptop, unauthorised people having access to information, the accidental or malicious deletion of information.
41. Our staff, partners and those working on our behalf will immediately report any potential or actual losses of information or equipment holding information, potential or actual security incidents (e.g. inappropriate access, hacking, misuse of password, viruses), using the Council data breach reporting procedure. [LINK to be inserted upon approval]
42. The Council will investigate reported incidents and information breaches, assist those conducting investigations and take appropriate remedial action.
43. The Council will treat any information breach as a serious issue, potentially warranting a disciplinary investigation. Each incident will be investigated and judged on its individual circumstances, addressed accordingly.

Training

44. We will ensure all staff are trained to an appropriate level and frequency, based on their roles and responsibilities, to be able to handle personal data securely and confidentially. This will be set out in the Council's information training standard.
45. Our staff will consult and seek advice from their line manager if further training or guidance is required, who will arrange further training or support.

Responsibilities

46. The NCC competency framework [LINK to be inserted upon approval] references information governance responsibilities for all staff who must adhere to this policy and its associated standards, procedures and guidelines.
47. Managers have specific information governance responsibilities, for instance in respect of information asset management. These are set out in an information governance role descriptor [LINK to be inserted upon approval].
48. Departmental Risk, Safety and Emergency Management Groups are accountable for the effective management of information risk and information governance compliance, as well as supporting and promoting the policies, standards and procedures.
49. Wilful or negligent disregard for information governance policies and procedures will be investigated and may be treated as a disciplinary matter which could lead to dismissal or the termination of work agreement or service contracts.

Monitoring and review

50. This policy and the supporting standards will be monitored and reviewed annually in line with legislation and codes of good practice.

Appendices

51. NCC information standards, procedures and guidelines which support this policy, which at the time of this policy's approval include:
 - List to be inserted upon completion of work on procedures
52. These may be added to or replaced and are subject to regular updates as approved by the NCC Information Governance Group.
53. The latest version(s) of the related standards, procedures and guidelines can be found at [LINK to be inserted upon approval] for the latest version(s).

Other Nottinghamshire County Council related policies

54. Other NCC policies which relate to this Information Compliance policy includes:
 - NCC information governance framework
 - NCC information rights policy
 - NCC employee and employer code of conduct

- NCC terms and conditions of employment
- NCC accommodation standards - clear desk principles

External Legislaton

55. External legislation related to this policy includes

- [General Data Protection Regulation \(from 25th May 2018\)](#)
- [Data Protection Act 1998](#) (to May 25th 2018)
- [Human Rights Act 1998](#)
- [Freedom of Information Act 2000](#)
- [Environmental Information Regulations 2004](#)
- [Local Government Acts](#)
- [Copyright, Design and Patents Act 1998](#)

Information Security Policy

Version: To be inserted upon approval

Author: Chris Towner

Date of Issue: To be inserted upon approval

Review date: To be inserted upon approval

Protective Marking: Official

Approvals

V	Approval Body	Date
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Review

V	Reviewing Body	Change Description	Date
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Context

1. Information is a critical asset for Nottinghamshire County Council (NCC). The security of information assets, as well as the supporting processes, systems and networks, is essential to maintaining operational effectiveness, reputation, financial accuracy and legal compliance.
2. NCC are subjected to a wide variety of sophisticated security threats, including malware, hackers and computer-assisted fraud. The dependence on data, information systems and services means that NCC are ever more vulnerable to these threats.
3. The requirement to interconnect the NCC network with suppliers and partners, alongside the growing use of Cloud services, makes security increasingly complex.
4. The objective of information security is therefore to achieve and maintain a condition where all information is available at all times to all those who need it, cannot be corrupted or disclosed to unauthorised persons and its origin is authenticated. This involves the preservation of:
 - **Confidentiality** - ensuring that information is only accessible to authorised persons;
 - **Integrity** - safeguarding the accuracy and completeness of information and processing methods;
 - **Availability** - ensuring that authorised users have access to information and associated assets when required;
 - **Non-repudiation** – the reasonable assurance that, where appropriate, a user cannot deny being the originator of a message after sending it.
5. It is important that information security is appropriate, proportionate, integrated and coordinated. It should enhance business processes, rather than impede them.

Scope of this policy

6. The policy applies to all NCC data and systems, and to all NCC personnel with access to NCC data or systems, irrespective of status, including temporary staff, contractors, consultants, and third parties.

Principles and Commitments

7. The Information Security Policy is Mandatory. It must be read and understood by all NCC employees who use, or may need to use, IT systems, information and services at NCC. Wilful or negligent disregard for information governance policies and procedures by employees will be investigated and may be treated as a disciplinary matter which could lead to dismissal.

8. All regulatory and legislative requirements must be met.
9. All users of IT systems are accountable for their actions.
10. All users of IT systems should receive appropriate training and regular updates in organisational IT security policy, standards and procedures.
11. All information must be handled in a way appropriate to its sensitivity, in accordance with the Information Classification and Handling Standard.
12. All hardware and software must be kept up to date to minimise the likelihood of security vulnerabilities being exploited, in accordance with the Patching Standard.
13. IT equipment must be properly configured and managed to reduce the risk of malware and other security threats, in accordance with the Network Security Standard.
14. Users must only be granted access to the IT systems and data necessary to fulfil their role, in accordance with the Access Control Standard.
15. Remote access services must be configured to minimise opportunities for unauthorised access or denial of service, in accordance with the Remote Access Standard.
16. Resources which are hosted in Cloud Computing environments must be maintained to an acceptable level of security, in accordance with the Cloud Security Standard.
17. All IT equipment must be adequately secured to prevent theft, and critical IT infrastructure must be physically secured to prevent unauthorised access, in accordance with the Physical Security Standard.
18. Controls must be implemented to reduce the risk to the confidentiality, integrity and availability of IT systems and data caused by malicious software (malware), in accordance with the Anti-Malware Standard.
19. All IT systems must be designed, configured and managed to minimise opportunities for unauthorised access or denial of service, in accordance with the System Configuration and Management Standard.
20. The use of passwords must be managed to minimise the risk of unauthorised access to IT systems or data, in accordance with the Password Standard.
21. Encryption techniques must be used to protect sensitive information, in accordance with the Encryption Standard.
22. Systems must be monitored to ensure malicious activity is detected, in accordance with the Protective Monitoring Standard.

23. Users of IT systems, including e-mail and the Internet, must use these systems in a way that minimises the risk to the confidentiality, integrity and availability of IT systems and information, in accordance with the Acceptable Use Standard.
24. Controls must be applied to prevent unauthorised access to information stored on removeable media, and to reduce the risk to NCC systems from data originating from removeable media, in accordance with the Removable Media Standard.
25. Third party access to NCC systems must be authorised and controlled, and third parties with such access must adhere to all other NCC policies, in accordance with the Third Party Access Standard.
26. Information must be kept for a period of time described by the Information Retention Standard. Information, systems and hardware that is no longer required must be securely destroyed in accordance with the Data Destruction Standard.
27. All security incidents must be handled in accordance with the Incident Response Standard.
28. Controls must be implemented to minimise the impact of any system unavailability, in accordance with the ICT Business Continuity Standard.

14 March 2018**Agenda Item: 13****REPORT OF THE CORPORATE DIRECTOR OF RESOURCES****MEMBER DEVELOPMENT AND TRAINING****Purpose of the Report**

1. To update Members on the existing training offer and sources of training available.
2. To seek Members' views on possible issues to cover in future development and training sessions.
3. To seek Members' agreement to pilot the use of e-learning training packages to help assess their suitability for use by County Councillors overall.

Information

4. The Council is keen to offer a range of development and training opportunities to enable Members to undertake their County Councillor role to the best of their ability.

Induction

5. Following the latest County Council election in May 2017, an induction programme was offered to both new and returning Members. This included introductions to the work of the Council and its various departments as well as sessions on the following specific issues:-
 - Personal Safety for Councillors
 - Governance Issues
 - Planning and Licensing and Rights of Way
 - Broadcast Media Training for Committee Chairs and Vice Chairs
 - Top Tips for Chairing Meetings
 - The Independent Inquiry on Child Sexual Abuse
 - Modern Slavery
 - Social Media
6. Specific training sessions for Members of committees such as Planning & Licensing Committee, Health Scrutiny Committee and the former Employment Appeals sub-committee were also arranged.

Ongoing Development – Internal offer

7. Four mornings are included in the Council diary each year for Member Development sessions. Although not always utilised, it has proven helpful to have these dates set aside for officers seeking to provide or respond to Members' requests for specific briefing sessions or site visits.
8. Briefings and training have been arranged on a variety of relevant issues in recent years, including:-
 - Child Sexual Exploitation
 - Promoting British Values
 - Adults and Children's Safeguarding
 - Social Media
 - Personal Safety
 - PREVENT
 - LGBT Hate Crime
 - New Schools
 - Use of ICT
 - Media
 - Unconventional Hydrocarbons
 - The Care Act
 - The Independent Inquiry into Child Sexual Abuse
9. Site visits offered in recent years have included:-
 - Veolia Waste Recycling Centre
 - Ways of Working – visits to various County Council establishments
 - Multi Agency Safeguarding Hub
 - County Archives
 - Care Homes
 - Visits to specific sites around planning applications

Ongoing Development – External Offer

10. Members also attend conferences which offer further opportunities for development and to share best practice.
11. Individual Members can request to attend external conferences, seminars and training courses, with approval by the relevant Committee required when there is a fee payable.
12. Democratic Services do sometimes receive e-mails from external training providers and, where relevant these are shared with the Group Business Managers and non-aligned Members.

Ongoing Development – E-learning

13. The Council has both invested in and developed a number of e-learning packages for officers and it is felt that some of these could also be appropriate for Members. A good example of this is the current training package to address the new General Data Protection Regulations (GDPR). A demonstration of the training package will be made to this Committee meeting.
14. It would be helpful if Members of the Committee were able to undertake the GDPR e-learning training and feedback their views on whether they feel this would be an appropriate format to promote amongst all County Councillors. If Members of the Committee agree to this request then further advice will be sent to them explaining how to log-in to the system and locate the GDPR training.

Member Development Needs

15. The Committee Members' views are sought on any other development needs which they or other County Councillors have.

Other Options Considered

16. None.

Reasons for Recommendations

17. To update Members on the existing development and training offer.
18. To seek the Committee Members' assistance in assessing the suitability of the e-learning training format for County Councillors.
19. To seek the Committee Members' views on current Member development needs.

Statutory and Policy Implications

20. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

21. As part of the overall budget set aside for expenditure relating to Members, £10,000 is set aside for training costs and £14,000 for Conference fees. In the 2017-18 financial year to date, £2440 has been spent on training fees and £5552 has been spent on conferences. Any underspend within these budgets is utilised across the overall Members expenditure budget.

RECOMMENDATION

- 1) That the Committee considers the existing sources of training available and highlight any further Member development needs.
- 2) That the Members of the Committee agree to pilot the e-learning training package about the General Data Protection Regulations to assess the suitability of this type of training package for County Councillors overall.

Jayne Francis-Ward
Corporate Director - Resources

For any enquiries about this report please contact:

Keith Ford, Team Manager, Democratic Services Tel. 0115 9772590

E-mail: keith.ford@nottsc.gov.uk

Constitutional Comments (KK 2/3/2018)

The proposals in this report are within the remit of the Governance and Ethics Committee

Financial Comments (SES 6/3/2018)

The financial implications are set out in the report.

Background Papers

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Summary of Training Record 2013-16
- Induction Programme 2017

Electoral Division(s) and Member(s) Affected

All

14 March 2018**Agenda Item: 14****REPORT OF THE CORPORATE DIRECTOR OF RESOURCES****WORK PROGRAMME****Purpose of the Report**

1. To review the Committee's work programme for 2018.

Information

2. The County Council requires each committee to maintain a work programme. The work programme will assist the management of the Committee's agenda, the scheduling of the Committee's business and forward planning. The work programme will be updated and reviewed at each pre-agenda meeting and Committee meeting. Any member of the Committee is able to suggest items for possible inclusion.
3. The attached work programme includes items which can be anticipated at the present time. Other items will be added to the programme as they are identified.

Other Options Considered

4. None.

Reason/s for Recommendation/s

5. To assist the Committee in preparing and managing its work programme.

Statutory and Policy Implications

6. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION

- 1) That Committee considers whether any changes are required to the work programme.

Jayne Francis-Ward
Corporate Director - Resources

For any enquiries about this report please contact:

Keith Ford, Team Manager, Democratic Services Tel. 0115 9772590

E-mail: keith.ford@nottsc.gov.uk

Constitutional Comments (SLB)

The Committee has authority to consider the matters set out in this report by virtue of its terms of reference.

Financial Comments (NS)

There are no financial implications arising directly from this report.

Background Papers

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None

Electoral Division(s) and Member(s) Affected

All

GOVERNANCE & ETHICS COMMITTEE - WORK PROGRAMME (AS AT 19 FEBRUARY 2018)

<u>Report Title</u>	<u>Brief summary of agenda item</u>	<u>Lead Officer</u>	<u>Report Author</u>
2 May 2018			
Mandatory Inquiries	To provide information on the external auditors' requirement for the provision of information regarding the Council's approach to dealing with fraud, litigation, laws and regulations as part of their audit.	Nigel Stevenson	Glen Bicknell
Attendance at Outside Bodies	To review Members' attendance at outside bodies to which they have been appointed.	Jayne Francis-Ward	Nerys Davies
Committee on Standards in Public Life – Review of Local Government Ethical Standards	To consider submitting to the Committee on how ethical standards are dealt with by the Council.	Jayne Francis-Ward	Sue Bearman
Update on Local Government Ombudsman Decisions	To consider any recent findings of the Local Government Ombudsman in complaints made against the County Council (item to be confirmed).	Jayne Francis-Ward	Jo Kirkby
Financial Regulations Waivers 2017/18	To inform Committee of compliance with the Council's Financial Regulations in the 2017/18 financial year and any waivers in that same period.	Nigel Stevenson	Clare Winter
Follow up of Internal Audit Recommendations	To provide information on the Internal Audit's high priority recommendations	Rob Disney	Rob Disney
13 June 2018			
Internal Audit Progress report for 2017/18	To provide details of internal audit work completed to the end of March 2018	Rob Disney	Rob Disney
Update on Local Government Ombudsman Decisions	To consider any recent findings of the Local Government Ombudsman in complaints made against the County Council (item to be confirmed).	Jayne Francis-Ward	Jo Kirkby
Risk management update	Periodic update on Risk Management issues.	Paul McKay	Robert Fisher
Annual Governance Statement	To agree the Council's Annual Governance Statement.	Nigel Stevenson	Rob Disney
25 July 2018			
Update on Local Government Ombudsman	To consider any recent findings of the Local Government Ombudsman in complaints made against	Jayne Francis-Ward	Jo Kirkby

<u>Report Title</u>	<u>Brief summary of agenda item</u>	<u>Lead Officer</u>	<u>Report Author</u>
Decisions	the County Council (item to be confirmed).		
Follow up of Internal Audit Recommendations	To provide information on the Internal Audit's high priority recommendations	Rob Disney	Rob Disney
Information Governance Improvement Programme	To report progress of the Information Governance Improvement Programme	Jayne Francis-Ward	Caroline Agnew
September 2018 (date TBC)			
Member Development and Training	Update report on Member Development and Training undertaken and planned.	Jayne Francis-Ward	Keith Ford