

KLOE	1 st Line	2 nd Line	3 rd Line
Financial Management			
Budgetary Control			
Corporate, departmental and service plans are congruent, achievable and will deliver the Council's strategic plan	<ul style="list-style-type: none"> Managers compile service plans – showing how the service will contribute to the Corporate Plan Service plans incorporate budget planning Sign-off of service plans by senior managers Allocation of budget responsibility and service delivery responsibility are aligned 	<ul style="list-style-type: none"> Review of service plans by Performance Team Routine and periodic performance reporting against corporate aims/targets Finance staff input to the development of annual budget Financial comments on committee reports 	<ul style="list-style-type: none"> Internal audit of service planning Internal audit of budget-setting process
Effective monitoring and reporting is in place	<ul style="list-style-type: none"> Budgetary control responsibility is clearly assigned to managers Budget holders conduct monthly monitoring and submit monthly forecasts for approval by more senior managers Corporate Directors' annual assurance statements to support the Annual Governance Statement 	<ul style="list-style-type: none"> Finance prepare monthly budget monitoring reports for SLTs, CLT & Finance & Major Contracts Management Committee Finance monitor compliance with the forecasting system and report non-compliant managers to SLTs Monthly Financial Strategy & Compliance/BSC Financial Control Statement produced and reviewed. 	<ul style="list-style-type: none"> Internal audit of budgetary control
Strong arrangements for determining and implementing corrective actions	<ul style="list-style-type: none"> Forecasts include a comment facility to identify corrective action to address significant variances 	<ul style="list-style-type: none"> Finance review and challenge forecasts which do not explain current variances 	<ul style="list-style-type: none"> Internal audit of budgetary control

Budget pressures are captured, assessed and prioritised	<ul style="list-style-type: none"> • Senior managers capture pressures • Managers generate and input ideas to the Challenge Panel process 	<ul style="list-style-type: none"> • Maintenance and ongoing review of the MTFS by Finance • Finance input to Challenge panel process • Budget virements can only be actioned by designated staff within Finance • Re-prioritisation may be proposed in periodic monitoring reports to Committee 	<ul style="list-style-type: none"> • Internal audit of budgetary control
In-year forecasts are reliable	<ul style="list-style-type: none"> • Budget holders submit monthly forecasts for approval by more senior managers 	<ul style="list-style-type: none"> • In-year review of fluctuations in forecasts by Finance 	<ul style="list-style-type: none"> • Internal audit of budgetary control
Income streams are maximised	<ul style="list-style-type: none"> • Budget holders conduct monthly monitoring and submit monthly forecasts for approval by more senior managers 	<ul style="list-style-type: none"> • Finance prepare monthly budget monitoring reports for SLTs, CLT & Finance & Major Contracts Committee • Finance review and challenge forecasts which do not explain current variances 	<ul style="list-style-type: none"> • Internal audit of budgetary control
Overspending is minimised	<ul style="list-style-type: none"> • Budget holders conduct monthly monitoring and submit monthly forecasts for approval by more senior managers 	<ul style="list-style-type: none"> • Finance prepare monthly budget monitoring reports for SLTs, CLT & Finance & Major Contracts Committee • Finance review and challenge forecasts which do not explain current variances 	<ul style="list-style-type: none"> • Internal audit of budgetary control
Underspends are re-directed to areas of budget pressure	<ul style="list-style-type: none"> • Budget holders conduct monthly monitoring and identify opportunities to 	<ul style="list-style-type: none"> • Virements can only be actioned by designated staff within Finance 	<ul style="list-style-type: none"> • Internal audit of budgetary control

	redirect confirmed underspends to areas of budget pressure	<ul style="list-style-type: none">• Volume of Virements are reported in monthly FCS.	
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Financial Management			
Financial Compliance			
Accountability framework – compliance with budget holder duties	<ul style="list-style-type: none"> • Senior managers authorise monthly forecasts from budget holders • Corporate Directors' annual assurance statements to support the Annual Governance Statement 	<ul style="list-style-type: none"> • Finance monitor compliance with the forecasting system and report non-compliant managers to SLTs 	<ul style="list-style-type: none"> • Internal audit of budgetary control
Financial regulations are complied with	<ul style="list-style-type: none"> • Staff induction and ongoing review of training requirements through 1-2-1 supervision and EPDRs • Corporate Directors' annual assurance statements to support the Annual Governance Statement 	<ul style="list-style-type: none"> • Routine and ad hoc advice to front-line managers from support service professionals in the Chief Executive's Department – incorporating staff in Finance and Procurement, Legal Services, HR, etc. • Financial comments on committee reports • Monthly Financial Control Statement • Schools Finance advice and visits to schools 	<ul style="list-style-type: none"> • Much of Internal Audit's work assesses compliance with Financial Regulations • Internal Audit visits to schools

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Financial Management			
Financial Prudence			
Treasury management framework is complied with	<ul style="list-style-type: none"> • Bank account balances are reviewed and monitored on a daily basis • Investable funds are identified and subject to review • Internal control processes are applied to approve available funds • Funds transfers are made to established institutions • Funds are subject to internal control when transferred • Transactions undertaken with remit of Treasury Management Strategy 	<ul style="list-style-type: none"> • Treasury Management Strategy established annually to form the basis of borrowing requirements • Full Council approve Treasury Management Strategy • Full Council approve the Treasury Management Policy • Management review available funds on a daily basis • Management control the transfer of funds • Routine reporting is undertaken for transactions undertaken • Performance reports are generated on available cash; net new borrowing and bank for Finance and Major Contracts Management Committee • Treasury Management report presented to Finance and Major Contracts Management Committee (as part of monthly Financial Monitoring Report) • Treasury Management Mid-Year Report to Full Council; 	<ul style="list-style-type: none"> • Internal audit cyclical review – 3 year basis • Annual AAF 01/06 assurance reports from Fund Managers • External Audit opinion on Statement of Accounts • CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectorial Guidance Notes • Code of Practice on Local Authority in the United Kingdom 2017/18 • Statutory reporting for borrowing framework (Prudential Indicators)

		Finance and Major Contracts Management Committee	
Investment strategy is complied with	<ul style="list-style-type: none"> • Investment Strategy implemented by staff • Investments monitored and reviewed from a financial and ethical position • Investment transactions subject to internal control processes • Individual transactions subject to check, review and authorisation processes 	<ul style="list-style-type: none"> • Investment Strategy Statement with benchmarks and expected returns – Nottinghamshire Pension Fund • Annual Treasury Management Policy Statement by S151 in line CIPFA Code of Practice. • Statement includes approved list of institutions and exposure targets. • Annual report on investment performance based on established targets • Local Government Pension Scheme Regulations published Funding Strategy Statement • Performance is reported in relation to Nottinghamshire Pension Fund Committee and Fund Managers (cross over) with investment performance 	<ul style="list-style-type: none"> • Internal audit cyclical review – 3 year basis • Annual AAF 01/06 assurance reports from Fund Managers • Barnett Waddingham LLP – Actuary – consulted on Funding Strategy Statement • FRC (indirectly) report on Fund Managers for compliance. • State Street – NCC Custodian • Northern Trust – LGPS Central Custodian
Finance charges are avoided or minimised	<ul style="list-style-type: none"> • Charges are established in a formal contract with the bank • Charges are subject to review by management • Charges are applied to the Corporate Bank • Fund Manager fees and charges subject to competitive procurement 	<ul style="list-style-type: none"> • Corporate Bank subject to Corporate procurement processes • Management review of banking contract • Management review of charges expenditure budget • Management review of actual transactions charges 	<ul style="list-style-type: none"> • Internal audit cyclical review of Corporate Bank account – 3 year basis • Annual AAF 01/06 assurance reports from Fund Managers • FRC (indirectly) report on Fund Managers for compliance.

		<ul style="list-style-type: none"> Treasury Management Strategy utilises PWLB 'certainty rate' lower than standard rates 	<ul style="list-style-type: none"> Investment Fund managers performance reports linked to fees
Returns on investments perform well in comparison with relevant benchmarks	<ul style="list-style-type: none"> Reports are generated to compare performance with other bodies and benchmarks Investment managers are set targets for performance which are monitored and reviewed 	<ul style="list-style-type: none"> Investment performance is routinely reported to Nottinghamshire Pension Fund Committee Comparison is made to established targets, industry standards and benchmarking data Investment managers are held to account for performance through reports to Nottinghamshire Pension Fund Committee Fund Valuation and Performance reported quarterly covering each investment type compared to benchmark data – Nottinghamshire Pension Fund Committee 	<ul style="list-style-type: none"> Internal Audit review – investment focus on NCC and Pension Fund Annual AAF 01/06 assurance reports from Fund Managers Barnett Waddingham LLP – Fund Actuary report – performance and projections for Admitted Bodies. Barnett Waddington LLP – IAS 19 reporting on valuations and performance for Admitted Bodies FRC (indirectly) report on Fund Managers for compliance. State Street – NCC Custodian Northern Trust – LGPS Central Custodian

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Financial Management			
Value for Money			
Ongoing review of service provision in priority areas of service	<ul style="list-style-type: none"> Engagement with the Council's Performance Management Framework and budgetary control procedure Periodic review of delivery against service plans 	<ul style="list-style-type: none"> Monthly performance reporting through performance boards and CLT/extended CLT Monthly reporting of budget update to CLT/extended CLT 	<ul style="list-style-type: none"> Internal Audit reviews
Use of benchmarking and other relevant comparisons to inform priority review areas	Service Directors, Group Managers and Team Managers engage with regional and national benchmarking groups wherever relevant (Please indicate the extent of your use of benchmarking)	<ul style="list-style-type: none"> Use of benchmarking and tools such as CFO Insights by Performance Team in SLT/CLT/Committee reporting Corporate membership of benchmarking clubs 	
Well researched options for change are routinely proposed	<ul style="list-style-type: none"> Managers generate and input ideas to the Challenge Panel process 	<ul style="list-style-type: none"> Finance input to Challenge Panel process 	
Value for Money is achieved			<ul style="list-style-type: none"> External Audit's annual VFM report
The transformation programme is delivering change in priority areas of service	<ul style="list-style-type: none"> Ongoing review of progress through managers' engagement with, and input to, transformation projects 	<ul style="list-style-type: none"> Routine progress reports by Transformation Team to CLT/extended CLT and to the Improvement & Change Sub-Committee 	<ul style="list-style-type: none"> Internal Audit input to transformation projects

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Performance Management			
Compliance with the key elements of the planning and performance management framework	Service Director and Group Manager responsibilities to engage with, and implement, the planning and performance management framework	Routine monitoring and liaison by Performance Team including quality assurance of plans, strategies and policies.	Internal Audit review of service planning and performance management
Target performance levels are achievable and will deliver the Council's ambitions	Service Directors and Group Managers set target performance levels in service plans and cascade these to their teams	The development of performance measures, targets and thresholds is supported and quality assured by the Performance Team. New targets and thresholds reported to SLT/Performance Boards	Internal Audit review of service planning and performance management
Effective performance management and reporting is in place	<p>Day-to-day arrangements at all levels of management to keep the performance of their teams under review</p> <p>Performance measures provide the information required by managers to manage the service effectively and efficiently. BI and visualisations in place to deliver this information</p> <p>Managers ensure that business systems are kept up to date and that key service data is not stored separately</p>	<p>Performance measures reviewed through Departmental Strategy and Service Plan development. Routine progress reports by Performance Team to CLT and Improvement & Change Sub-Committee</p> <p>Reporting on data quality and business system usage.</p>	Internal Audit review of service planning and performance management
Senior managers are held accountable for the levels of service they achieve	1:1 supervision, EPDRs, SLT/Performance Boards manage performance in each Department	Routine progress reports by Performance Team to SLT, CLT, Committees and the Improvement & Change Sub-Committee	Internal Audit review of service planning and performance management

Use of benchmarking and other relevant comparisons to inform priority review areas	Service Directors, Group Managers and Team Managers engage with regional and national benchmarking groups wherever relevant	Use of benchmarking and tools such as CFO Insights by Performance Team in SLT/CLT/Committee reporting	
Performance levels are achieved	<p>Day-to-day arrangements at all levels of management to keep reports of performance of their teams under review</p> <p>Managers use BI products such as Dashboards to actively performance manage business processes, service delivery, costs and demand.</p> <p>Six and 12 month reviews of delivery of service plans.</p>	<p>Performance Team advice on the development of and deliver fit for purpose BI and Dashboards. Performance Team provide analysis and reports to SLT , CLT, Committees and the Improvement & Change Sub-Committee</p>	
The transformation programme is delivering fundamental change in priority areas of service	<p>Service Directors, Group Managers and Team Managers are responsible for:</p> <ul style="list-style-type: none"> • generating proposals for service transformation • allocating resources to drive through change projects • implementing action plans • monitoring achievement of transformation objectives 	Routine progress reports by Transformation Team to Extended CLT and Improvement & Change Sub-Committee	Internal Audit review of, and advisory input to, transformation projects

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Risk Management			
An effective risk management strategy and framework is in place	<p>Service Directors', Group Managers' & Team Managers' engagement with the risk management framework</p> <p>Risk, Safety & Emergency Management Groups (RSEMGs) take lead responsibility for the implementation of the framework in each department</p>	<p>Corporate Risk Management Team lead the development, refresh and communication of the risk management strategy and framework</p> <p>Risk, Safety & Emergency Management Board (RSEMB) receives updates at each meeting from the RSEMGs</p> <p>Corporate Risk Management Team updates to CLT</p> <p>Corporate Risk Management half-yearly update to the Governance & Ethics Committee</p>	Internal Audit review of risk management
National, regional and local horizon scanning informs risk assessments	<p>Service Directors, Group Managers & Team Managers maintain on-going focus on emerging risks</p> <p>Emerging risks feed in to day-to-day service planning and delivery</p> <p>RSEMGs update departmental risk assessments at each of their meetings</p>	RSEMB receives updates from RSEMGs at each meeting	
The Council's risk appetite is established and applied consistently			

Risk registers are maintained and updated appropriately	RSEMGs lead on the development and maintenance of departmental risk registers	<p>Corporate Risk Management Team input – lead partner model with RSEMGs</p> <p>RSEMB receive regular updates from RSEMGs</p> <p>RSEMB reviews the corporate risk register at each meeting</p> <p>Corporate Risk Management Team updates to CLT</p> <p>Corporate Risk Management half-yearly update to the Governance & Ethics Committee</p>	Internal Audit review of risk management
Effective monitoring and reporting is in place – mitigating actions are complied with and insurance provisions are in place	<p>Nominated officers in risk registers take the mitigating actions required</p> <p>Insurance Team arrange and maintain insurance provision for those risks agreed to be covered through this option</p>	<p>RSEMGs review current and emerging risk issues in their department</p> <p>RSEMB receive updates at each meeting from RSEMGs, Health & Safety Team and Insurance Team</p> <p>Update reports to CLT and the Governance & Ethics Committee</p>	<p>Internal Audit review of risk management, insurance and health & safety</p> <p>Periodic reviews by Council's insurer</p> <p>Periodic reviews of Health & Safety compliance by external assessor</p>
Risk management informs key decision-making in the Council	Service Directors, Group Managers & Team Managers are responsible for considering key risks in day-to-day decision-making		Internal Audit review of risk management

	Committee reports identify expected implications of decisions across a range of factors		
Exposure to significant risks is minimised	Service Directors, Group Managers & Team Managers escalate emerging risk issues through management hierarchy and RSEMGs	<p>Corporate Risk Management Team input – lead partner model with RSEMGs</p> <p>RSEMB receive regular updates from RSEMGs</p> <p>RSEMB reviews the corporate risk register at each meeting</p> <p>Corporate Risk Management Team updates to CLT</p> <p>Corporate Risk Management half-yearly update to the Governance & Ethics Committee</p>	<p>Periodic reviews by Council's insurer</p> <p>Periodic reviews of Health & Safety compliance by external assessor</p>
There is a clear focus on high priority risks	<p>Service Directors', Group Managers' & Team Manager' engagement with the risk management framework</p> <p>Service Directors, Group Managers & Team Managers maintain on-going focus on emerging risks</p>	<p>Corporate Risk Management Team input – lead partner model with RSEMGs</p> <p>RSEMB receive regular updates from RSEMGs</p> <p>RSEMB reviews the corporate risk register at each meeting</p> <p>Corporate Risk Management Team updates to CLT</p>	Internal Audit review of risk management

		Corporate Risk Management half-yearly update to the Governance & Ethics Committee	
Prompt actions are taken where risks materialise	Corporate Risk Team co-ordinate response to major incidents RSEMB convened to manage significant events as they arise	RSEMGs and RSEMB review significant incidents at each meeting to identify learning points	Periodic reviews by Council's insurer Periodic reviews of Health & Safety compliance by external assessor