

Governance and Ethics Committee

Wednesday, 19 July 2023 at 10:30

County Hall, West Bridgford, Nottingham, NG2 7QP

AGENDA

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2	Apologies for Absence	
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4	Local Government & Social Care Ombudsman Decisions May to June 2023	7 - 26
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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 Kate Morris (Tel. 0115 804 4530) 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 Wednesday 14 June 2023 (commencing at 10.30am)

membership

COUNCILLORS

Philip Owen (Chairman)
Johno Lee (Vice-Chairman)

Richard Butler	Sue Saddington
Samantha Deakin - Apologies	Helen-Ann Smith
Errol Henry JP - Apologies	Nigel Turner
Andy Meakin - Apologies	Roger Upton
Michael Payne - Apologies	

SUBSTITUTE MEMBERS

Councillor Jim Creamer for Councillor Errol Henry
Councillor David Martin for Council Samantha Deakin
Councillor Mike Pringle for Councillor Michael Payne
Councillor Francis Purdue-Horan for Councillor Meakin

OFFICERS IN ATTENDANCE

Maria Ballantyne	- Adult Social Care & Public Health
Ainsley Macdonnell	
Heather Dickinson	- Chief Executives
Richard Elston	
Andrew Howarth	
Simon Lacey	
Kate Morris	
Jo Toomey	
Marjorie Toward	
Nigel Stevenson	
Rob Briggs	- Children and Families
Peter McConnochie	
Lynda Poole	

1. TO NOTE THE APPOINTMENT BY FULL COUNCIL ON 11 MAY 2023 OF COUNCILLOR PHILIP OWEN AS CHAIRMAN AND COUNCILLOR JONO LEE AS VICE-CHAIRMAN OF THE COMMITTEE FOR THE 2023-24 MUNICIPAL YEAR

The committee noted the appointment of Councillor Philip Owen as Chairman and Councillor Johno Lee as Vice-Chairman for the 2023-24 municipal year.

2. TO NOTE THE MEMBERSHIP OF THE COMMITTEE FOR THE 2023-24 MUNICIPAL YEAR DETAILS ON THE AGENDA FRONTSHEET

The committee noted the membership for the 2023-24 municipal year.

3. MINUTES

The Minutes of the last meeting held on 3 May 2023, having been previously circulated, were confirmed and signed by the Chairman.

4. APOLOGIES FOR ABSENCE

Apologies for absence were received from:

- Councillor Samantha Deakin (Other Reasons)
- Councillor Errol Henry (Other Reasons)
- Councillor Andy Meakin (Other Reasons)
- Councillor Michael Payne (Medical Reasons)

5. DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

None.

6. UPDATE ON LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN DECISIONS (MARCH TO MAY 2023)

The report set out information about two complaints against the Council where fault was found by the Local Government and Social Care Ombudsman. Members were given the opportunity to ask questions of officers and seek assurance about actions put in place from the relevant departments regarding those complaints.

Members expressed concerns about the number of ombudsman decision involving missed Education Health & Care Plans time scales acknowledging that recruitment was underway for additional Plan writers and that work had been done within the team to ensure processes were updated and streamlined.

RESOLVED: 2023/25

That members note the findings of the Local Government and Social Care Ombudsman and welcome the lessons learned and actions taken to the findings.

7. ASSURANCE MAPPING ANNUAL REPORT 2022-2023

Members had the opportunity to ask questions around the outcomes of the assurance mapping work carried out during 2022/23 and the proposed approach for 2023/24. They questioned the staff turnover rate reported within the appendix and received assurances that the number had now stabilised and was returning to the usual lower average.

RESOLVED: 2023/26

- (1) That the Committee endorse the continued use of assurance mapping process in 2023/24.

- (2) That committee endorse the consolidation of the of the scope of the assurance map for 2023/24 to focus on the existing eight assurance areas.
- (3) That progress against proposed actions to address the issues identified be reported to the Committee as part of quarterly update reports on the Annual Governance Statement.

8. CHIEF INTERNAL AUDITOR'S ANNUAL REPORT FOR 2022/23

Members received the Chief Internal Auditor's Annual report for 2022/23. They asked questions around risk management and received assurances from officers.

RESOLVED: 2023/27

- (1) That the contents of the Chief Internal Auditors Report and the successful achievement of the External Quality Assessment the be noted.
- (2) That a further report will be brought to the committee in 12-months' time.

9. FOLLOW-UP OF INTERNAL AUDIT RECOMMENDATIONS

The Report highlighted the progress of the implementation of agreed management actions to address Internal Audit recommendations. Members thanks officers for their proactive approach to the work.

RESOLVED: 2023/28

- (1) That the Committee note the contents of the reports and the progress that has been made against the Internal Audit recommendations.
- (2) That a further progress report and an update on those actions outstanding be included in the next 6-monthly review.

10. USE OF THE COUNCILLORS' DIVISIONAL FUND

The report set out the annual update on the use of the Councillor's Divisional Fund for 2022/23 and Members had the opportunity to ask questions. Members commented that the new electronic system recently introduced was easy to use and allowed members to quickly see remaining funds.

RESOLVED: 2023/29

That the Committee notes the Councillors' Divisional Fund expenditure for the period 1 April 2022 to 31 March 2023 as detailed in Appendix A to the report.

11. WORK PROGRAMME

RESOLVED: 2023/31

That the work programme be agreed.

19 July 2023**Agenda Item: 4****REPORT OF THE SERVICE DIRECTOR FOR CUSTOMERS, GOVERNANCE
AND EMPLOYEES****LOCAL GOVERNMENT & SOCIAL CARE OMBUDSMAN DECISIONS
MAY 2023 TO JUNE 2023****Purpose of the Report**

1. To inform the Committee about Local Government & Social Care Ombudsman's (LGSCO) decisions relating to the Council since the last report to Committee was completed and therefore any decisions after 15th May 2023.

Information

2. Members have asked to see the outcome of Ombudsman investigations 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 which was held on 14th June 2023.
3. The LGSCO 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 LGSCO cannot question a Council's decision or action solely on the basis that someone does not agree with it. However, if the Ombudsman finds that something has gone wrong, such as poor service, a service failure, delay or bad advice and that a person has suffered as a result, the LGSCO aims to get the Council to put it right by recommending a suitable remedy.
4. The LGSCO 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 four decisions relating to the actions of this Council have been made by the Ombudsman in this period. Appendix A to this report summarises the decisions made in each case for ease of reference and Appendix B provides the full details of each decision.
6. Full investigations were undertaken into two complaints. Appendix A provides a summary of the outcomes of the investigation. Where fault was found, the table shows the reasons for the failures and the recommendations made. If a financial remedy was made the total amount paid or reimbursed is listed separately.

7. There was fault found in both cases. The first case is in Place. The complaint is about the Council failing to install a dropped kerb in her local area. There is a dropped kerb on one side of the road, but not on the opposite side of the road. As a wheelchair user, Ms X cannot cross the road and use the pavement. The Council was found at fault and as a result has apologised to Ms X, paid a distress payment of £200 and will arrange another visit taking into account her circumstances. The service is reviewing its communication strategy and looking at how to personalise its responses to ensure residents know their views have been considered
8. The second complaint is in Childrens. The complaint is about what Ms X believes was the Council's failure to protect her and her adopted son from the risk posed by his birth father. Ms X claims there was a lack of clarity in the assessment form, that no solutions were offered as the Council said the risk from Mr Y, the birth father, was low and the information was sent to the wrong email address. This was a long standing complaint from 2019 that went through the full process and then went to the Ombudsman which then had the case for several months. The Council was found to be at fault around the communication and reassurance for Ms X and is to pay a financial remedy of £400 to recognise the distress. There was no fault found with any other part of how the case was handled, how the assessment was carried out or how information was shared with relevant third parties.

Other Options Considered

9. The other option considered was not bringing regular reports to the Committee detailing the decisions made by the Local Government and Social Care Ombudsman. This option was rejected as by not having oversight of this report the Committee would not receive assurances that the learnings from Ombudsman cases were leading to improvements in services.

Reasons for Recommendation/s

10. To enable members to scrutinise complaints dealt with by the Council that went to the Ombudsman and to inform them of the service improvements being made for the benefit of residents as well as colleagues.

Statutory and Policy Implications

11. 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

12. The decisions attached are anonymised and will be publicly available on the Ombudsman's website.

Financial Implications

13. The details of any financial payments are set out in Appendix A. £200 will come from Place and £400 will come from Childrens services.

Implications for Service Users

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

RECOMMENDATION/S

- 1) That members note the findings of the Local Government and Social Care Ombudsman and welcome the lessons learned and actions taken in response to the findings

Marjorie Toward

Monitoring Officer and Service Director – Customers, Governance and Employees

For any enquiries about this report please contact:

Richard Elston Team Manager – Complaints and Information Team

Constitutional Comments (HD (Standing))

15. 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 27/06/2023)

16. The financial implications are set out in paragraph 13 of the report.

17. The details of the financial payments are set out in Appendix A.

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 A

DECISIONS NOT TO INVESTIGATE FURTHER

DATE	LGO REF	PROCEDURE	COMPLAINT SUMMARY	REASON FOR DECISION
17.5.23	22017690	Corporate	Complaint about delay in clearing footpath	Ombudsman decided not to investigate as unlikely to find fault
13.6.23	23002199	Corporate	Complaint about pothole causing damage to car	Ombudsman believe it is reasonable for the complainant to go to court to determine any liability

THERE WERE NO FULL INVESTIGATIONS WHERE NO FAULT FOUND

FULL INVESTIGATIONS WHERE FAULT FOUND

DATE	LGO REF ANNEX PAGE NO	PROCEDURE	COMPLAINT SUMMARY	DECISION	RECOMMENDATION	FINANCIAL REMEDY	STATUS OF AGREED ACTION
24.5.23	22013288	Place	Ms X complained the Council failed to install a dropped kerb in her local area. There is a dropped kerb on one side of the road, but not on the opposite side of the road. As a	The Council applied its criteria but fault found as it failed to consider Ms X's additional requirements as someone who uses a wheelchair	The Council offered to meet Ms X to understand the issues she faces. The Council agreed to use the information gathered on this visit to review its decision and pay a time and trouble payment	£200	Actions underway and will be complete on time

			wheelchair user, Ms X cannot cross the road and use the pavement.				
13.6.23	22001694	Childrens	Ms X complains about what she believes was the Council's failure to protect her and her adopted son from the risk posed by his birth father.	The Council was at fault for the way it disclosed information to Ms X about the risk from her adopted son's birth father. However, the Council was not at fault in the other ways it considered managing the risk. Its view that this was primarily the Police's responsibility does not appear unreasonable	It should apologise and make a symbolic payment to recognise her injustice.	£400	Actions are being carried out and also a visit to review the situation and take Ms X's circumstances into account.

The Ombudsman's final decision

Summary: Ms X complained the Council failed to install a dropped kerb. Ms X uses a wheelchair and says she cannot safely cross the road outside her home. The Council applied its criteria but failed to consider Ms X's additional requirements as someone who uses a wheelchair. The Council offered to meet Ms X to understand the issues she faces. The Council agreed to use the information gathered on this visit to review its decision.

The complaint

1. Ms X complained the Council failed to install a dropped kerb in her local area. There is a dropped kerb on one side of the road, but not on the opposite side of the road. As a wheelchair user, Ms X cannot cross the road and use the pavement. She is forced into the road, putting her life at risk. Ms X would like the Council to install a dropped kerb.

The Ombudsman's role and powers

2. We investigate complaints of injustice caused by 'maladministration' and 'service failure'. I have used the word fault to refer to these. We consider whether there was fault in the way an organisation made its decision. If there was no fault in the decision making, we cannot question the outcome. (*Local Government Act 1974, section 34(3), as amended*)
3. If we are satisfied with an organisation'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*)

How I considered this complaint

4. As part of the investigation I have considered the following:
 - The complaint and the documents provided by the complainant.
 - Documents provided by the Council and its comments in response to my enquiries.
 - The Highways Act 1980, information on the Councils website about making a new highways request, the Councils Local Transport Plan and Evidence Base.
5. Ms X and the Council had an opportunity to comment on my draft decision. I considered any comments received before making a final decision.

What I found

Relevant legislation

The Highways Act 1980

6. Section 41 of the Highways Act 1980 requires a highway authority to maintain and repair all its highways that are maintainable at public expense. It does not state to what standard.

The Equality Act 2010

7. The Equality Act 2010 provides a legal framework to protect the rights of individuals and advance equality of opportunity for all. It offers protection, in employment, education, the provision of goods and services, housing, transport and the carrying out of public functions.
8. The Equality Act makes it unlawful for organisations carrying out public functions to discriminate on any of the nine protected characteristics listed in the Equality Act 2010. They must also have regard to the general duties aimed at eliminating discrimination under the Public Sector Equality Duty.
9. The 'protected characteristics' referred to in the Act are: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.
10. The Public Sector Equality Duty requires all local authorities (and bodies acting on their behalf) to have due regard to the need to:
 - eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
 - advance equality of opportunity between people who share a protected characteristic and those who do not; and
 - foster good relations between people who share a protected characteristic and those who do not.
11. The broad purpose of the Public Sector Equality Duty is to consider equality and good relations into the day-to-day business and decision making of public authorities. It requires equality considerations to be reflected into the design of policies and the delivery of services, including internal policies, and for these issues to be kept under review.

The Council's policies and procedures

12. The Council considers requests for dropped kerbs under two programmes, the integrated transport block capital programme and the traffic management revenue programme.
13. When the Council receives a request for highway improvements, officers carry out a desktop inspection of the area using Google Streetview, they do not visit the site.
14. A Cabinet Member for Transport and Environment considers and decides requests under both programmes.

Integrated transport block capital programme

15. The Council's integrated transport block capital programme is a programme to deliver highway improvements that deliver the strategic objectives set out in the County Council's Local Transport Plan (LTP). The LTP is online.
16. Requests for dropped kerbs under this scheme are in areas located on or leading to / close to primary pedestrian routes. Section 14 of the LTP evidence base (also available online) details the primary pedestrian routes.

Traffic management revenue programme

17. The Council's traffic management revenue programme is a programme to deliver local small-scale non-strategic highway improvements such as lining schemes, signing improvements, and other minor improvements, such as dropped kerbs, handrails, or bollards.
18. The Council considers requests to install new dropped kerbs under this programme for routes not on or directly leading to / close to the primary pedestrian routes detailed in section 14 of the LTP evidence base.
19. The Council does not have formal guidance but has developed a criterion. The Council will check the location of the proposed dropped kerb to see if it is on a main route to key destinations, for example schools, town centre facilities, public transport hubs, employment sites or health care facilities.
20. The Council will also consider the potential use of the facility.

What happened

21. I have summarised below the key events; this is not intended to be a detailed account.
22. Ms X uses a wheelchair. She says the road where she lives does not have matching dropped kerbs to allow her to safely cross the road. Ms X said she can be in the road a couple of minutes before reaching a dropped kerb on the opposite side of the road. She says the road can be busy and she feels in danger.
23. Ms X asked the Council to install a dropped kerb near her property so she can cross the road safely.
24. The Council wrote to Ms X in March 2020. The letter referred to Ms X's enquiry for a dropped kerb so she 'can cross safely in her wheelchair'. It said it nominated the location for a dropped kerb but could not guarantee it would be included in the plan for the next financial year.
25. In November 2022, the Council wrote again to Ms X and said it had added the location to the list for consideration but '...was considered low priority due to it not providing any strategic benefit and therefore was not included in the final 21/22 programme.' It explained funding is not available to complete all requests and '...dropped crossings are reserved for areas with high pedestrian footfall to justify the cost of them.' The letter did not refer to Ms X using a wheelchair and how the Council had considered this before it made the decision.
26. Ms X complained to the Council in December 2022. In its response it explained the Council prioritises locations which offer the greatest benefit to most people. It prioritises locations that improve access to local shops and services where there is relatively high use. The letter does not refer to Ms X using a wheelchair and how the Council considered this before making the decision. It did not uphold Ms X's complaint.

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27. Ms X complained to the Ombudsman in January 2023. She said the lack of matching dropped kerbs affects her ability to go to the local shops and services and meet with friends. In conversation with me she said she feels trapped in her home and puts her life at risk when she goes out. She said the Council said her request is a 'low priority', Ms X said for someone using a wheelchair it is a high priority and was upset by this.
 28. In response to my enquiries, the Council explained how it considered Ms X's request. It first considered the location under its integrated transport block capital programme. It checked section 14 of the LPT evidence base, the location was not a primary pedestrian route, it could not consider the request on this programme.
 29. The Council considered the location under the traffic management revenue programme. It completed a desk top survey of the location and used Google Streetview to assess the detailed layout of the road. Officers did not visit the site in response to Ms X's request but had visited the area for other enquiries so were aware of the general layout and character.
 30. The Council said the location does not lie on a main route to a school, town centre facilities, public transport hub, employment site, and/or health care facilities. It said it considered the presence of alternative routes for wheelchair users and noted matching dropped kerbs (to provide vehicular access to properties) to enable crossing without the need to travel along the road. It considered the location a 'low priority' for inclusion in the traffic management programme.
 31. In response to my enquires, the Council said Officers from its highway's liaison team will arrange a site visit to speak with Ms X and understand her issues.
 32. The Council has not installed the dropped kerb. It is on the list for inclusion in a future financial year's programme but is not on the 2023/2024 list.

Analysis

33. The Council first considered Ms X's request under the integrated transport block capital programme. As the area was not on or leading to / close to primary pedestrian routes outlined in section 14 of the LTP evidence base, the Council said the location was not suitable for consideration. The Council properly applied the criteria in the LTP. It is not at fault.
34. The Council then considered the location under its traffic management revenue programme, applied the criteria and determined the location was a 'low priority'. The Council applied its criteria correctly and is not at fault.
35. Due to the large number of requests for highway improvements, the Council does not routinely visit locations. Instead, it does a desk top survey. In Ms X's case, officers conducted a desk top survey and used Google Streetview to understand the area, as they do for all cases. Officers did not visit the location specifically about Ms X's request but were familiar with the area as it had visited on other matters. The Council applied the same process to Ms X's request as it does all requests and officers had a better understanding as they had attended the site. The Council is not at fault for the way it considered Ms X's request.
36. The Council has a limited budget to fund small-scale non-strategic highway improvements and receives many requests each year. It cannot complete every request and prioritises cases that benefit more people. The Council considered the criteria under both policies. It is not at fault.

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37. From the evidence I have seen, the Council handled this case the same as any request for a dropped kerb and evaluated the request using a desk top survey. Ms X does not feel the Council considered her request from the view of a disabled person and is upset an officer did not visit the site. The Council knows Ms X uses a wheelchair as it referenced this in its letter dated March 2020. It did not reference Ms X's wheelchair or explain how it considered Ms X's disability in any of its decision-making letters. It appears the Council applied the same consideration for Ms X's request as it would any request for a dropped kerb. It did not consider whether it should make any Reasonable Adjustments for her as a wheelchair user and did not consider whether it was harder for her to access the pavement than a non-disabled person. This is fault.
38. In response to my enquiries the Council said it considered alternative routes for wheelchair users. This is not apparent from the correspondence between the Council and Ms X which led her to feel the Council did not understand the matter from a disabled persons point of view. This is fault.
39. In response to my enquiries, the Council offered a member of its highways liaison team to visit the site to discuss the issues faced by Ms X. This will provide an opportunity to understand Ms X's situation and concerns.
40. I consider some of the Council's wording to be insensitive. The Council's letter to Ms X dated November 2022 said her request was 'low priority'. In my conversation with Ms X, she said she was upset by this wording. I do not consider the Council intended to upset Ms X but have unintentionally done so. The Council could have used more suitable and sensitive wording in its correspondence with Ms X.

Agreed action

41. Besides the actions the Council has identified, the Council agreed to:
- consider the information it gathers when it visits Ms X to review its original decision; and
 - apologise to Ms X in writing and make a payment of £200 for the distress caused by its failure to demonstrate it considered Ms X's disability in its decision making and correspondence.

The Council should complete these actions within four weeks of my final decision and provide evidence to show it has done so.

Final decision

42. I have completed my investigation. While the Council applied correct criteria it failed to consider Ms X's additional needs as a wheelchair user.

Investigator's decision on behalf of the Ombudsman

The Ombudsman's final decision

Summary: The Council was at fault for the way it disclosed information to Ms X about the risk from her adopted son's birth father. It has agreed to apologise and make a symbolic payment to recognise her injustice. However, the Council was not at fault in the other ways it considered managing the risk. Its view – that this was primarily the Police's responsibility – was not unreasonable.

The complaint

1. The complainant, whom I refer to as Ms X, complains about what she believes was the Council's failure to protect her and her adopted son from the risk posed by his birth father. I refer to Ms X's son as Y. I refer to his birth father as Mr Z.
2. The Council considered Ms X's complaint under the formal Children Act 1989 complaints procedure. This included an independent investigation at stage 2 and a review panel at stage 3. However, she remains dissatisfied.
3. Ms X complains that:
 - A. At stage 2 of the Children Act complaints procedure, the investigator found failings in how the Council told Ms X about the risk from Mr Z. But the investigator recommended nothing to recognise Ms X's injustice.
 - B. The Council failed to give information to Mr Z's mental health team. This led to him moving to a secure unit – with day release – close to Y's school. This placed Y at risk.
 - C. The Council closed Y's adoption support case in early 2019 without Ms X's knowledge or agreement and left her without support.
 - D. The Council completed an assessment in June 2019, which:
 - lacked clarity about the risk from Mr Z;
 - failed to consider concerns Ms X had about Y's birth family, including how they may pose a risk during Y's daytime respite ('short breaks') away from the family home;
 - did not consider various issues such as finances, life story, school and house moves, and general daily living; and
 - did not address Y's needs or put support in place, and failed to consider whether Ms X needed help managing Y's violent behaviour.

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- E. In 2021, the Council accepted the risk to Ms X and her family should Mr Z ever leave the secure mental health unit. But it did not agree to warn her if this happens, and did not support her to manage future risks.
 4. Ms X also says the Council delayed finding a new school for Y in 2019, despite how close Mr Z's secure unit was to Y's school.
 5. Ms X says she suffered a distress because of the Council's failure to deal with the risk to her and her family. She wants the Council to update its assessments, amend inaccurate records, discipline social workers and provide her with a payment to recognise her injustice.

What I have and have not investigated

6. I have investigated complaints A-E, above.
7. I have not investigated Ms X's complaint about Y's delayed school move. Even if the Council did cause a delay, this probably only led to Y being in his school for a maximum of three weeks longer than he needed to be. This injustice was not significant enough to justify further investigation.

The Ombudsman's role and powers

8. 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'. If there has been fault which has caused an injustice, we may suggest a remedy. (*Local Government Act 1974, sections 26(1) and 26A(1), as amended*)
9. We provide a free service, but must use public money carefully. We do not start or may decide not to continue with an investigation if we decide any injustice is not significant enough to justify our involvement. (*Local Government Act 1974, section 24A(6)*)
10. We consider whether there was fault in the way an organisation made its decision. If there was no fault in the decision making, we cannot question the outcome. (*Local Government Act 1974, section 34(3), as amended*)
11. If we are satisfied with an organisation'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*)
12. Under the information sharing agreement between the Local Government and Social Care Ombudsman and the Office for Standards in Education, Children's Services and Skills (Ofsted), we will share this decision with Ofsted.

How I considered this complaint

13. I considered:
 - Information from Ms X and the Council.
 - Relevant parts of the Adoption Support Services Regulations 2005.
 - The government's 2018 statutory guidance on child safeguarding, 'Working together to safeguard children'.
14. Ms X and the Council had an opportunity to comment on my draft decision. I considered any comments received before making a final decision.

What I found

Complaint A: did Ms X suffer an injustice from how the Council told her about the risk from Mr Z?

What happened

15. In mid-December 2018, the Council told Ms X that Mr Z would be released from prison at the end of the month. It told her Mr Z was a potential risk to Y, and provided information about his history of violence.
16. Shortly after this the Council assessed the risk from Mr Z and decided it was low. It tried to email Ms X to tell her this. In its email it said:
 - Mr Z had not talked about the adoption recently.
 - He did not appear to know where Ms X or Y lived.
 - He did not appear to have any contact with Y's birth mother (who may have known the area in which Ms X and Y lived).
 - If released, he would likely live in a different area.
17. The Council sent this email to the wrong email address and did not realise for over a month. Ms X was not fully aware that the Council considered the risk to be low during that time.
18. At stage 2 of the Children Act complaints procedure, the investigator considered how the Council had provided information about Mr Z to Ms X. She found:
 - The Council informed Ms X about risk without offering any solutions.
 - She was left knowing Mr Z had a history of violence, had previously spoken about going to get his son and was due to be released from prison. But the Council made no suggestions how she could keep herself and Y safe.
 - Although Mr Z's risk had been considered by a multi-agency meeting beforehand, there was no real clarity about what information should be shared with Ms X and by whom. As the Council was part of that meeting, it shares the responsibility for this lack of clarity.
19. The Council accepted the investigator's findings. But neither the investigator nor the Council offered Ms X a remedy for her injustice.

My findings

20. Having reviewed the Council's records, I am satisfied that the investigator's findings were fair. And the Council thought so too.
21. It is likely Ms X suffered distress from the failings the investigator identified. She did not have access to the same information about Mr Z that the Council or other services did, which meant she needed help to make decisions about risk management. She did not receive this help when the Council told her about the risk.
22. I note that the Council did try to advise Ms X afterwards. However, it sent this advice to the wrong email address. Ms X did not receive it for over a month.
23. The Council should now recognise Ms X's injustice by apologising and making a symbolic payment in line with the Ombudsman's guidance on remedies.

Complaint B: did the Council fail to share information with Mr Z's mental health team?

What happened

24. Shortly after the Council told Ms X about the risk from Mr Z, it spoke to two different mental health teams involved in Mr Z's care. Both said it was unlikely that Mr Z would be released into the community. Professionals believed he would be detained under the Mental Health Act instead.
25. The Council shared this information with Ms X.
26. Three days before Mr Z left prison (at the end of December), the Council recorded that it appeared he would not be staying in the areas near Y's home or school.
27. Mr Z then moved to a secure unit around two miles from Y's school. Ms X did not know this at the time.
28. Mr Z's mental health team told the Council that Mr Z was on a six-month detention order. They said he had not mentioned Y or the adoption since moving into the secure unit.
29. The Council passed this information onto Ms X in mid-January. It said Mr Z would remain in secure accommodation until June 2019 (although this was later extended).
30. Ms X did not find out where Mr Z was until May 2019. She said she was anxious about how close he was to Y's school, and that he may get 'day release'. However, it appears the Police did not believe there were any plans to allow Mr Z day release.

My findings

31. The Council had no part in the decision-making which led to Mr Z's transfer to the secure unit, and it did not know where he had gone until afterwards. It knew about three other places Mr Z may have gone on his release, none of which were near Y's home or school.
32. Ms X's view is that Mr Z should have gone somewhere else, and possibly would have done had the Council shared where Y's school was beforehand. However, I have seen no evidence to support this view.
33. Mr Z was in a secure unit for at least six months, and he had no day release at the time. In short, he could not leave. So the closeness of Y's school may not have made any difference to where Mr Z went, even if the Council had mentioned it beforehand.
34. I am, however, satisfied that the Council shared information with Mr Z's mental health team and that, where necessary, it passed on information to Ms X which affected her and Y.
35. Because of this, I have found no fault in this part of Ms X's complaint.

Complaint C: did the Council withdraw adoption support without Ms X's knowledge or agreement?

The Adoption Support Services Regulations 2005

36. Under Regulation 4, councils must make counselling, advice and information available to adopted people and their parents.

What happened

37. In early January 2019, Ms X spoke to the Council's adoption support team. The Council's notes say Ms X asked it to close Y's adoption support case, and said she wanted nothing more from the team. Ms X denies this.
38. Shortly after, the Council closed its adoption support case. A manager tried to email Ms X about this. In her email she said, "*should you reconsider your decision to allow [us] to support you at any point, we are of course willing to provide adoption support services as needed*". But she sent this to the wrong email address.
39. Ms X then contacted the Council and complained that she had not heard from adoption support. She said a third party had told her the Council had closed the case.
40. The Council's manager realised her email had not reached Ms X, and re-sent it to the right email address. She apologised, said she had reported the potential data breach, and gave Ms X the details of the Council's complaints procedure.
41. Ms X told the Council that she no longer wanted any contact from adoption support. She asked that it removed her email address from its records.
42. A few weeks later, Ms X confirmed to the Council's education team (which was dealing with a separate matter) that she wanted no involvement with adoption support.
43. In May 2019, Ms X contacted the Council to make sure that adoption support was no longer involved with supporting Y. The Council confirmed this.

My findings

44. The Council had a duty to make counselling, advice and information available to Ms X and Y. It did so until January 2019.
45. Ms X is right to say the Council closed her adoption support case without her knowledge or agreement. This is because the Council's manager sent the closure email to the wrong email address.
46. This was fault by the Council. And it is likely that finding out about the case closure from a third party caused some distress to Ms X, who was going through a stressful time.
47. However, the following matters mitigated Ms X's injustice:
 - It appears, from the Council's records, that Ms X herself first asked the Council to close the case (although she denies this).
 - The Council made clear that support remained available. Although its email saying this did not reach Ms X at first, it re-sent the email only five days after closing the case.
 - Ms X made clear on several occasions afterwards that she wanted no adoption support involvement with her family. The number of times she said this suggests she felt strongly about it.
48. The Council's manager apologised for her mistake and sent all relevant information to Ms X. This was a satisfactory remedy for Ms X's injustice, and I will not recommend that the Council takes further action.

Complaint D: was the Council's assessment of June 2019 adequate?

'Working together to safeguard children' 2018

49. If a council accepts a referral about a child, but does not have reason to believe the child may be suffering significant harm, a social worker should complete an assessment. The social worker should then decide whether the council should provide services to the child or their family.

What happened

50. In April 2019 the Council received a referral from the child and adolescent mental health services (CAMHS) with concerns about Y's behaviour and its impact on Ms X. They said Ms X often had to restrain Y by hugging him. They said these incidents went on for hours. They also referred to the risk from Mr Z.
51. The Council agreed to conduct an assessment.
52. The Council's social worker asked CAMHS what support they were providing. They said, "*[the] work is mainly containment, as I don't think [Ms X] has the headspace with the current situation to engage in therapeutic work*".
53. The social worker then spoke to the Police, who said Mr Z was a high risk to Y. They said the Council should support Ms X to move out of the area.
54. The Council completed its assessment in June, and decided:
- If Mr Z left the secure unit he posed a high risk to Y. But until then, he posed no risk. Nonetheless, the Council would provide a letter to Ms X which supported a house move.
 - Ms X was able to make decisions in the best interest of Y's safety, so there was no safeguarding role for children's social care. The Police were the right agency to manage the risk posed by Mr Z in future – both in prevention and response.
 - Ms X struggled with Y's behaviour, but had received training on how to respond. She had good knowledge about behaviour management techniques. Ms X would receive support around Y's anxiety and behaviour from CAMHS, so there was no support role for children's social care.
 - Ms X had chosen to pause Y's 'short breaks' provision until she felt there was no risk to Y from Mr Z or extended family members.
55. The social worker's manager noted that, although one reason for the assessment was to decide if Ms X needed support, it turned out that her main concern was the risk from Mr Z.
56. The Council closed the case, saying other services could meet Y's needs. However, it did write a letter in support of a house move for Ms X, citing the risk from Mr Z should he leave the secure unit.

My findings

57. Social workers and their managers are responsible for deciding (following an assessment) whether a child needs protection or support. And I cannot usually question professional opinion. Only in exceptional circumstances – when a council's decision is so obviously unreasonable that it defies logic – can I do so.
58. The Council's summary of the risk from Mr Z in its assessment was consistent with the information in its other records, including that provided by the Police. I am aware that Ms X wanted a lot more detail; however, the Council provided her with

the information it had. And its conclusion – that the Police would manage future risk from Mr Z – was not unreasonable.

59. The Council noted Ms X's concerns about potential risk from Y's extended family, but I have seen nothing elsewhere in its records to suggest there was such a risk. I do not consider the Council at fault for omitting a detailed analysis of this issue from its assessment.
60. The reasons for CAMHS' referral were Y's behaviour (including its impact on Ms X) and the risk from Mr Z. And over the course of the assessment the social worker decided risk was Ms X's main priority. I do not consider the Council at fault for omitting detailed analyses of other matters such as finances or 'daily living'. I have seen no evidence that anyone identified them as concerns.
61. The social worker and her manager clearly considered Y's needs in the assessment (specifically his behavioural needs, which were the subject of the referral). The social worker felt Ms X's behaviour management techniques were suitable, and the manager felt risk was Ms X's primary concern. These conclusions were consistent with the information in the Council's other records. And they were not unreasonable.
62. As there was no obvious fault in how the Council analysed information and reached conclusions in its assessment, I cannot question whether those conclusions were right or wrong. As a result, I have found no fault in this part of Ms X's complaint.

Complaint E: did the Council fail to help Ms X to manage risk in 2021?

What happened

63. In December 2020 the Council sent a social worker to visit Ms X for an assessment. Following the visit, the social worker recorded:
- There are serious concerns about [Mr Z's] criminal violent history. There are also serious concerns if he was to find out where [Y] lives, what the consequences could possibly be. [Y's birth mother] knows [where Y lives], she cannot be trusted to keep information confidential from [Mr Z].*
64. The social worker spoke to the Police and asked if they still had a 'marker' on Ms X's address (which highlights a location where someone may be at significant risk). The Police said they had removed the marker. The social worker asked them to reinstate it.
65. A Police officer then called the social worker and said Mr Z remained in the secure unit and therefore posed no risk. The officer said there were no plans for his release, so there was no need to put a marker on Ms X's address.
66. In February 2021, the Council completed its assessment, and said:
- ... serious concerns [have] been identified around the risks posed by [Mr Z] ... These risks are being minimised by [his] currently being detained ... whenever, any plans are made to discharge [Mr Z] safeguards need to be put in place to ensure [Ms X] and especially [Y] are safeguarded ... the risks ... will be managed by police/public protection.*
67. The Council decided there was no safeguarding role for children's social care, and it closed the case.

My findings

68. It is true that, when the Council began its assessment, it recognised the potential risk from Mr Z.
69. However, during the assessment the Council sought information from the Police and decided there was no current risk, because Mr Z remained in a secure unit.
70. The Council decided there was no safeguarding role for social care and the Police would manage future protection arrangements. As with its 2019 decision, this was not unreasonable.
71. This, again, means I cannot question the Council's decision, and I have found no fault in this part of Ms X's complaint.

Agreed actions

72. Within six weeks, the Council has agreed to:
 - Apologise to Ms X for how it initially told her about the risk from Mr Z, making sure it addresses each of the failings identified by the investigator at stage 2 of the Children Act complaints procedure (and summarised above).
 - Make a payment of £400 to Ms X to recognise the distress she likely experienced from the way the Council told her about the risk from Mr Z.
 - Provide us with evidence it has completed these actions.

Final decision

73. The Council was at fault for the way it disclosed information to Ms X about the risk from Mr Z. But it was not at fault in the other ways it dealt with Ms X.

Investigator's final decision on behalf of the Ombudsman

19 July 2023

Agenda Item: 5

REPORT OF SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND IMPROVEMENT

GRANT THORNTON – EXTERNAL AUDIT PLAN 2022/23

Purpose of the Report

1. To inform Members of the External Auditors' Audit Plan for their 2022/23 Audit.

Information

2. The attached report from our external auditors, Grant Thornton, sets out the proposed Audit Plan for the 2022/23 audit, including their approach, significant risks, fees, key staff and timelines for the audit. The report is presented to Members for their information. Andrew Smith, Engagement Lead - Grant Thornton) will be in attendance at the meeting to introduce the report and respond to Members' 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 2022/23.

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 £129,374 for Nottinghamshire County Council and £39,456 for the Nottinghamshire Pension Fund. As in 2022/23, the Department for Levelling Up, Housing and Communities is providing Local Authorities with £15.0m in 2023/24 to meet the rise in cost of external audit fees. It is

expected that Nottinghamshire's share of this allocation will be £36,984, the same as the 2022/23 allocation.

RECOMMENDATION/S

- 1) That Members to note the External Auditor's Audit Plan for 2022/23.

Nigel Stevenson
Service Director – Finance, Infrastructure and Improvement

For any enquiries about this report please contact:
Glen Bicknell, Senior Finance Business Partner, Financial Strategy and Compliance.

Constitutional Comments (25/05/2022 GR)

7. Further to the Nottinghamshire County Council constitution, this Committee has the delegated authority to receive this report.

Financial Comments (17/05/2022 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

Nottinghamshire County Council and Nottinghamshire Pension Fund audit plan

Year ending 31 March 2023

DRAFT

July 2023

Contents



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Key matters	3	The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.
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Key matters



National context

For the general population, rising inflation rates, in particular for critical commodities such as energy, food and fuel, is pushing many households into poverty and financial hardship, including those in employment. At a national government level, recent political changes have seen an emphasis on controls on spending, which in turn is placing pressure on public services to manage within limited budgets.

Local Government funding continues to be stretched with increasing cost pressures due to the cost of living crisis, including higher energy costs, increasing pay demands, higher agency costs and increases in supplies and services. Local authority front-line services play a vital role in protecting residents from rising costs; preventing the most vulnerable from falling into destitution and helping to build households long-term financial resilience. At a local level, councils are also essential in driving strong and inclusive local economies, through their economic development functions and measures like increasing the supply of affordable housing, integrating skills and employment provision, and prioritising vulnerable households to benefit from energy saving initiatives. Access to these services remains a key priority across the country, but there are also pressures on the quality of services. These could include further unplanned reductions to services and the cancellation or delays to major construction projects such as new roads, amenities and infrastructure upgrades to schools, as well as pothole filling.

Our recent value for money work has highlighted a number of governance and financial stability issues at a national level, which is a further indication of the mounting pressure on audited bodies to keep delivering services, whilst also managing transformation and making savings at the same time.

In planning our audit, we will take account of this context in designing a local audit programme which is tailored to your risks and circumstances. Last year our Auditor's Annual Report included three improvement recommendations but crucially no key recommendations. A particular focus of our value for money audit will be your financial position. The Council has set a balanced budget for 2023/24. This was achieved through a combination of factors including identifying efficiencies (£8.7m) and a use of earmarked reserves (£3.9m). The medium financial outlook is more uncertain given the one-year Local Government Finance Settlement. In its February 2023 budget report, the Council identified potential budgets gaps of £30.8m (£17.6m for the 2025/26 financial year and £13.2m in 2026/27).



Audit Reporting Delays

In a report published in January 2023 the NAO have highlighted that since 2017-18 there has been a significant decline in the number of local government body accounts including an audit opinion published by the deadlines set by government. The NAO outline a number of reasons for this and proposed actions. In March 2023, we issued [About time?](#), which explored the reasons for delayed publication of audited local authority accounts. In our view, it is critical to early sign off that draft local authority accounts are prepared to a high standard and supported by strong working papers.

Key matters



Pension Fund developments

The pressures on household income have raised concerns that members will look at their pension contributions as a way of cutting back on their monthly costs. The cost-of-living crisis is having a detrimental impact on pension savings, with some even dipping in to their savings to supplement short-term needs and several members are also requesting early access to their pension after age 55 as a means to financially manage their commitments. The cost of living crisis makes it even more important that lowly paid workers have access to a good quality pension.

In planning our audit, we will take account of this context in designing a local audit programme which is tailored to your risks and circumstances.



Our Responses

- As a firm, we are absolutely committed to audit quality and financial reporting in the local government sector. Our proposed work and fee, as set out further in our Audit Plan, has been agreed with the Director of Finance.
- We will consider your arrangements for managing and reporting your financial resources as part of our audit in completing our Value for Money work.
- Our value for money work will also consider your arrangements relating to governance and improving economy, efficiency and effectiveness.
- We will consider and report on previously agreed recommendations contained within our prior year Audit Findings Reports and Auditor's Annual Report.
- We will continue to provide you and the Governance and Ethics Committee with sector updates providing our insight on issues from a range of sources and other sector commentators via our Governance and Ethics Committee updates.
- We hold annual financial reporting workshops for our audited bodies to access the latest technical guidance and interpretation, discuss issues with our experts and create networking links with other audited bodies to support consistent and accurate financial reporting across the sector.

Introduction and headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Nottinghamshire County Council ('the Council') and Nottinghamshire Pension Fund ('the Pension Fund') for those charged with governance.

Respective responsibilities

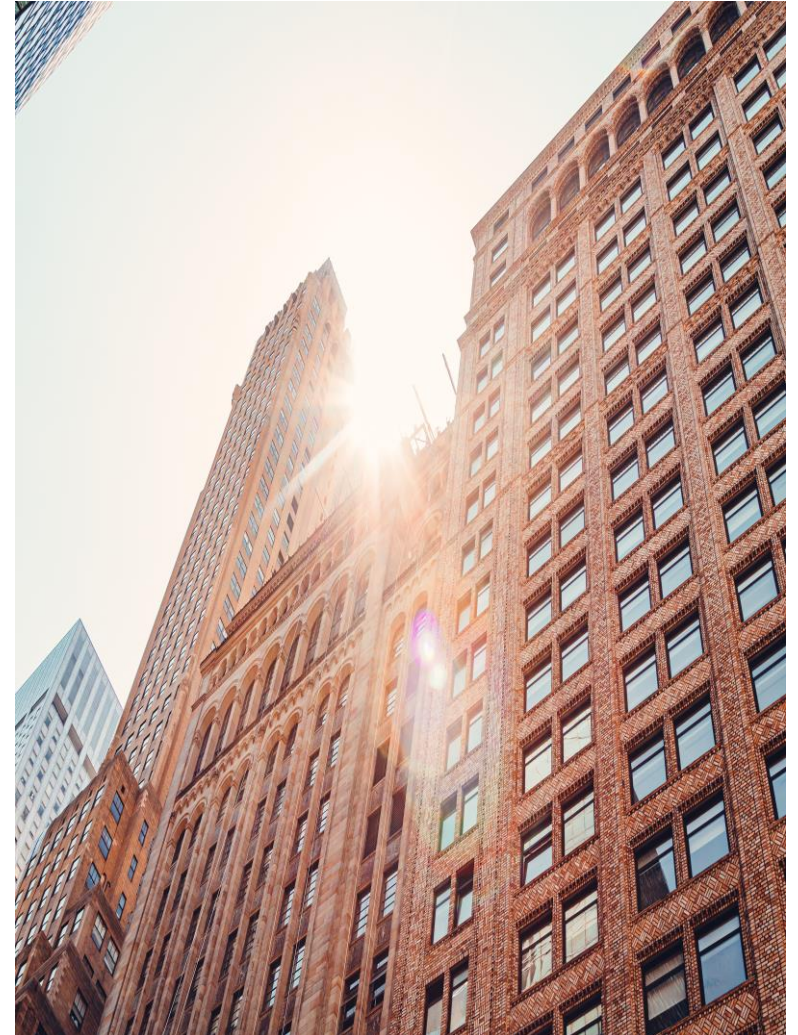
The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out and agreed in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of Nottinghamshire County Council and Nottinghamshire Pension Fund. We draw your attention to both of these documents.

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Council and Pension Fund's financial statements that have been prepared by management with the oversight of those charged with governance (the Governance and Ethics Committee); and we consider whether there are sufficient arrangements in place at the Council and Pension Fund for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that resources are used efficiently in order to maximise the outcomes that can be achieved.

The audit of the financial statements does not relieve management or the Governance and Ethics Committee of your responsibilities. It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Council's business and is risk based.



Introduction and headlines

Significant risks

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

County Council

- Management override of controls
- Valuation of land and buildings and investment properties
- Valuation of the net defined benefit pension fund liability

Pension Fund

- Management override of control;
- Valuation of Level 3 investments; and
- Valuation of actuarial present value of promised retirement benefits

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

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Materiality

We have determined planning materiality to be £20.96m (PY £18.5m) for the Council and £64.6m (PY £61.3m) for the Pension Fund (including £28.4m set as a separate materiality for the Pension Fund's Fund Account).

This equates to 1.5% of the Council's gross operating expenditure for the year in the draft accounts and 1% of the Pension Fund's gross investment assets less investment liabilities (and 10% of gross expenditure for the Fund Account). We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance.

Clearly trivial has been set at £1m (PY £0.925m) for the Council and £3.23m (PY £3.065m) for the Pension Fund (£1.42m for the Fund Account).

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Fraud in revenue recognition (rebutted)	Authority and Pension Fund	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Council and Fund, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including Nottinghamshire County Council and Nottinghamshire Pension Fund, mean that all forms of fraud are seen as unacceptable <p>Therefore we do not consider this to be a significant risk for Nottinghamshire County Council and Nottinghamshire Pension Fund.</p>	We have rebutted this risk.
Fraud in expenditure recognition – Practice Note 10 (rebutted)	Authority and Pension Fund	<p>In line with the Public Audit Forum Practice Note 10, in the public sector auditors must also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period)</p> <p>We have considered this risk for the Council and Pension Fund and have determined it to be appropriate to rebut this risk based on limited incentive and opportunity to manipulate expenditure.</p>	We have rebutted this risk.

‘Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty.’ (ISA (UK) 315)

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Management over-ride of controls	Authority and Pension Fund	<p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p> <p>The Authority faces external scrutiny of its spending and likewise the Fund of its stewardship of funds and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals • analyse the journals listing and determine the criteria for selecting high risk unusual journals • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.
Valuation of land and buildings, surplus assets and investment property – <i>specifically for assets where valuation movements fall outside of auditor expectation</i>	Authority	<p>The Authority revalues its land and buildings and surplus assets on a rolling five year basis as per its interpretation of the Code. Investment properties are valued on an annual basis in line with the accounting Code.</p> <p>To ensure the five year valuation programme for land & buildings and surplus assets does not lead to material differences in carrying values, the Authority carries out a desktop valuation or requests a desktop valuation from its valuation expert. Valuations represent a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.</p> <p>Within the valuation of the Authority's land and buildings and investment properties, the valuer's estimation of the value has several key inputs, which the valuation is sensitive to. For land and buildings, these include but are not limited to build cost indices, the size and location of the building and any judgements that have impacted this assessment and the condition of the buildings. For investment properties, these include yields used in the valuation and estimated future rentals from the investment properties.</p> <p>We therefore have identified that the accuracy of the key inputs and assumptions used in the valuation of land and buildings and investment properties as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work • evaluate the competence, capabilities and objectivity of the valuation expert • write to the valuer to confirm the basis on which the valuation was carried out • test revaluations made during the year to see if they had been input correctly into the Authority's asset register • engage our own valuer to assess the instructions to the Authority's valuer, the Authority's valuer's report and the assumptions that underpin the valuation. • evaluate the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of the net defined benefit pension fund liability- specifically with regard to the appropriateness of assumptions used to determine the valuation	Authority	<p>The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>We do not believe there is a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation or due to the source data used in their calculation.</p> <p>However, we have concluded that there is a significant risk of material misstatement in the IAS 19 estimate due to the assumptions used in their calculation. The actuarial assumptions used are the responsibility of the entity but should be set on the advice given by the actuary. As noted above, the appropriateness of the assumptions proposed by the actuary is covered by the TAS actuarial standards. However, the Council may choose to use different assumptions than those proposed by their actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. In particular the discount and inflation rates, where our consulting actuary has indicated that a 0.1% change in these two assumptions would have approximately 2% effect on the liability.</p> <p>We therefore identified the assumptions used to determine the valuation of the Authority's pension fund net liability as a significant risk.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls; • evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • assess the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation; • assess the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability; • test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; • agree any advance payments made to the pension fund during the year to the expected accounting treatment and relevant financial disclosures.; and • obtain assurances from the audit of Nottinghamshire Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

Management should expect engagement teams to challenge management in areas that are complex, significant or highly judgmental which may be the case for accounting estimates and similar areas. Management should also expect to provide to engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies referenced to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management's assumptions and request evidence to support those assumptions.

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of the actuarial present value of promised retirement benefits - <i>specifically with regard to the appropriateness of assumptions used to determine the valuation</i>	Pension Fund	<p>The Pension Fund's actuarial present value of promised retirement benefits, as reflected in the Pension Fund's notes to the accounts, represents a significant estimate in the financial statements.</p> <p>We do not believe there is a significant risk of material misstatement in the IAS 26 estimate due to the methods and models used in the calculation or due to the source data used in the calculation.</p> <p>However, we have concluded that there is a significant risk of material misstatement in the IAS 26 estimate due to the assumptions used in the calculation. The actuarial assumptions used are the responsibility of the Pension Fund but should be set on the advice given by the actuary. As noted above, the appropriateness of the assumptions proposed by the actuary is covered by the TAS actuarial standards. However, the Pension Fund may choose to use different assumptions than those proposed by their actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 26 disclosures.</p> <p>We therefore identified the assumptions used to determine the valuation of the actuarial present value of promised retirement benefits as a significant risk.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the disclosure is not materially misstated and evaluate the design of the associated controls; • evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • assess the competence, capabilities and objectivity of the actuary who carried out the promised retirement benefits valuation; • assess the accuracy and completeness of the information provided by the Pension Fund to the actuary to estimate the liability; • test the consistency of the promised retirement benefits and disclosures in the notes to the accounts with the actuarial report from the actuary; and • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report.

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of Level 3 Investments (financial investments and directly held properties)	Pension Fund	<p>The Fund revalues its investments on an annual basis to ensure that the carrying value is not materially different from the fair value at the financial statements date.</p> <p>By their nature Level 3 investment valuations lack observable inputs. These valuations therefore represent a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions</p> <p>Under ISA 315 significant risks often relate to significant non-routine transactions and judgemental matters. Level 3 investments by their very nature require a significant degree of judgement to reach an appropriate valuation at year end.</p> <p>Management utilise the services of investment managers (financial investments) and valuation experts (directly held properties) to estimate the fair value as at 31 March 2023. We therefore identified valuation of Level 3 investments as a significant risk.</p>	<p>Our audit procedures on Level 3 investments have been set out below according to the nature of the investment. Financial investments cover investments the fund hold in unquoted securities while directly held property relates to investments in freehold and leasehold property.</p> <p>For financial investments we will:</p> <ul style="list-style-type: none"> • evaluate management's processes for valuing Level 3 investments • review the nature and basis of estimated values and consider what assurance management has over the year end valuations provided for these types of investments; to ensure that the requirements of the Code are met • independently request year-end confirmations from investment managers and/or custodian(s) • for a sample of investments, test the valuation by obtaining and reviewing the audited accounts, (where available) at the latest date for individual investments and agreeing these to the fund manager reports at that date. Reconcile those values to the values at 31 March 2023 with reference to known movements in the intervening period • test revaluations made during the year to see if they had been input correctly into the Pension Fund's asset register • where available review investment manager service auditor report on design effectiveness of internal controls. <p>For directly held property we will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work • evaluate the competence, capabilities and objectivity of the valuation expert • write to the valuer to confirm the basis on which the valuation was carried out • test revaluations made during the year to see if they had been input correctly into the Pension Fund's asset register • engage our own valuer to assess the instructions to the Pension Fund's valuer, the Pension Fund's valuer's report and the assumptions that underpin the valuation. • evaluate the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end • test property assets for rights and obligations and for existence

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Council.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your 2022/23 financial statements, consider and decide upon any objections received in relation to the 2022/23 financial statements;
 - issuing a report in the public interest or written recommendations to the Council under section 24 of the Local Audit and Accountability Act 2014 (the Act).
 - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act
 - issuing an advisory notice under section 29 of the Act
- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Matter	Description	Planned audit procedures
1	<p data-bbox="257 475 472 512">Determination</p> <p data-bbox="257 523 1025 715">We have determined financial statement materiality based on a proportion of the gross expenditure of the Council and a proportion of net assets for the Pension Fund for the financial year. Materiality at the planning stage of our audit is:</p> <ul data-bbox="257 726 1025 1161" style="list-style-type: none"> <li data-bbox="257 726 1025 842">- £20.960m for the Council, which equates to 1.5% of your draft gross expenditure for the year (prior year: £18.500m - 1.5%); and <li data-bbox="257 853 1025 1002">- £64.6m for the Pension Fund, which equates to 1% of your draft gross investment assets (less investment liabilities) for the year (prior year: £61.300m - 1.0%); and <li data-bbox="257 1013 1025 1161">- £28.4m for the Fund Account, which equates to 10% of your gross expenditure for the year. For the prior year audit, the same materiality figures were used for the Net Assets Statement and Fund Account. 	<p data-bbox="1050 475 1704 512">We determine planning materiality in order to:</p> <ul data-bbox="1086 523 2132 858" style="list-style-type: none"> <li data-bbox="1086 523 2132 639">– establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements <li data-bbox="1086 651 2132 719">– assist in establishing the scope of our audit engagement and audit tests <li data-bbox="1086 730 1518 767">– determine sample sizes and <li data-bbox="1086 778 2132 858">– assist in evaluating the effect of known and likely misstatements in the financial statements
2	<p data-bbox="257 1189 461 1225">Other factors</p> <p data-bbox="257 1236 1025 1353">An item does not necessarily have to be large to be considered to have a material effect on the financial statements.</p>	<p data-bbox="1050 1189 2132 1273">An item may be considered to be material by nature where it may affect instances when greater precision is required.</p> <ul data-bbox="1086 1284 2132 1390" style="list-style-type: none"> <li data-bbox="1086 1284 2132 1390">– We have identified senior officer remuneration as a balance where we will apply a lower materiality level, as these are considered sensitive disclosures. We have set a materiality of £20,000.

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Matter	Description	Planned audit procedures
3	<p>Reassessment of materiality</p> <p>Our assessment of materiality is kept under review throughout the audit process.</p>	<p>We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.</p>
4	<p>Other communications relating to materiality we will report to the Governance and Ethics Committee</p> <p>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) '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) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.</p>	<p>We report to the Governance and Ethics Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.</p> <p>In the context of the Council, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £1.000m (prior year: £0.925m).</p> <p>For the Pension Fund, we propose that an individual difference could normally be considered to be clearly trivial if it less than £3.23m (prior year: £3.065m). For the Fund Account clearly trivial has been set at £1.42m.</p> <p>If management have 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.</p>

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

	Council Amount	Pension Fund Amount	Qualitative factors considered
Materiality for the financial statements	£20.960m	£64.6m	<p>Gross expenditure is considered the most appropriate benchmark for the Council because we consider the users of the financial statements to be most interested in how the Council has expended its revenue and other funding. As a firm we cap materiality at 1.5% for large and complex authorities such as Nottinghamshire County Council to reflect the risk and regulatory expectation of audit firms.</p> <p>Gross investment assets (less investment liabilities) is considered the most appropriate benchmark for the Pension Fund because we consider the users of the financial statements to be most interested in the Pension Fund's ability to pay pension liabilities as they fall due. Materiality is determined at 1% of the Pension Fund's gross investment assets (less investment liabilities).</p>
Materiality for the fund account	N/A	£28.4m	We have determined transactions within the Fund Account as items requiring greater precision and where we will apply a lower materiality level, as these are considered a key area of focus for users of the financial statements which is not directly derived from the investment portfolio. We have set materiality equivalent to 10% of gross expenditure.
Materiality for specific transactions, balances or disclosures (senior officer remuneration)	£20,000	N/A	Lower materiality applied to senior officer remuneration disclosures due to heightened public interest in this area of the accounts.

IT audit strategy

In accordance with ISA (UK) 315 Revised, we are required to obtain an understanding of the relevant IT and technical infrastructure and details of the processes that operate within the IT environment. We are also required to consider the information captured to identify any audit relevant risks and design appropriate audit procedures in response. As part of this we obtain an understanding of the controls operating over relevant Information Technology (IT) systems i.e., IT general controls (ITGCs). Our audit will include completing an assessment of the design and implementation of relevant ITGCs. We say more about ISA 315 Revised on page 17.

The following IT systems have been judged to be in scope for our audit and based on the planned financial statement audit approach we will perform the indicated level of assessment:

IT system	Relating to	Audit area	Planned level of IT audit assessment
SAP	Authority and Pension Fund	General ledger for financial reporting; payroll; accounts payable, accounts receivable, assets; schools portal.	Detailed ITGC assessment including assessment of the design and implementation of ITGCs.
Civica Universal Pensions Management	Pension Fund	Pension administration system used for administering the pension fund.	Detailed ITGC assessment including assessment of the design and implementation of ITGCs.

ISA 315 (revised)

ISA 315 (revised July 2020) takes effect for accounting periods starting on or after the 15th December 2021. This ISA deals with the auditor's responsibility to identify and assess the risks of material misstatement in the financial statements. The revisions made in the ISA have increased the level of work required of auditors and detail of this extra work is set out below.

Area	What's changed?	Impact on the audit
Information Technology Environment	<p>The new requirement states certain aspects of the IT environment must be understood and documented for each significant classes of transactions, account balances and disclosures (SCOT+).</p> <p>The auditor is required to consider the information captured to identify any audit relevant risks and design appropriate audit procedures in response.</p>	<p>The audit team will be required to:</p> <ul style="list-style-type: none"> • perform walkthroughs of the IT environment; • identify and review relevant controls within the IT environment to ensure they are operational; • obtain details of the relevant IT / technical infrastructure (i.e., server location, database type); and • obtain details of the processes that operate within the IT environment (i.e., process to manage user access or manage a program or IT environment change).
Considering IT risks related to internal controls relevant to the audit.	<p>The auditor is required to identify controls within a business process and identify which of those controls are controls relevant to the audit.</p> <p>For each internal control relevant to the audit, the auditor is required to evaluate the design of the control and evidence effective implementation of the control.</p> <p>The auditor is required to evaluate the design and determine the implementation of the general IT controls (ITGCs) that address the risks arising from the use of IT.</p>	<p>This requirement will lead to a significant change in practice, to the level of detail in which we will be required to understand the risks arising from the use of IT and associated general IT controls (ITGCs). There has been a significant increase in the number of detailed ITGC assessments required.</p>
Control reliance	<p>In previous years, where we had performed a walkthrough of your controls (such as operating expenditure), we were able to use the review of these controls to obtain comfort over the design effectiveness of your system. This would usually result in smaller sample sizes. The changes made to the ISA mean that design effectiveness will no longer grant a benefit when determining sample sizes.</p>	<p>There will be larger sample sizes across a number of areas. Key areas where we will likely see the biggest increase are:</p> <ul style="list-style-type: none"> • operating expenditure and payables; • property, plant and equipment; • income. <p>This is not a complete list but these will be the areas we expect to be most affected.</p>

Value for Money arrangements

Approach to Value for Money work for the period ended 31 March 2023

The National Audit Office issued its latest Value for Money guidance to auditors in January 2023 . The Code expects auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report any significant weaknesses in the body's arrangements, should they come to their attention. In undertaking their work, auditors are expected to have regard to three specified reporting criteria. These are as set out below:



Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.



Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services.



Governance

How the body ensures that it makes informed decisions and properly manages its risks.

Risks of significant VFM weaknesses

As part of our planning work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. The risk we have identified are detailed in the first table below, along with the further procedures we will perform. Our risk assessment is an ongoing process and we may identify further risks to those outlined below during the course of the audit. Any further risks will be reported in our Audit Findings Report and finally in the Annual Auditor's Report. We may need to make recommendations following the completion of our work. The potential different types of recommendations we could make are set out in the second table below.

Risks of significant weakness

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



Financial Planning (Medium Term Financial Sustainability)

Although the council expects to have sufficient resources in the immediate term (FY2023/24), it has identified a need to deliver significant year on year savings to achieve a balanced budget in the medium term. The council has identified a funding gap of £30.8m from 2025-2027. There remain significant uncertainties in the position going forward, due to uncertainty over future funding decisions and the performance of the wider economy and market factors - the Council's plans for medium term financial sustainability need to remain flexible and be robust.

Our responses to this risk:

- To document an understanding of the arrangements the body has in place in respect of financial sustainability
- To make an assessment of those arrangements
- To gather sufficient evidence to support the commentary on the body's arrangements in the Auditor's Annual Report
- To identify any further risks of significant weaknesses in arrangements that weren't identified at the initial planning stage
- To draft the commentary to be included in the Auditor's Annual Report

Potential types of recommendations

A range of different recommendations could be made following the completion of work on risks of significant weakness, as follows:



Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements

Audit logistics and team



Andrew Smith, Key Audit Partner

Andrew will be the main point of contact for the Chair, Service Director and Committee members. He will share his wealth of knowledge and experience across the sector providing challenge and sharing good practice. Andrew will ensure our audit is tailored specifically to you, and he is responsible for the overall quality of our audit. Andrew will sign your audit opinion.

The members of Andrew's team listed below will be the key day-to-day contacts for the Council's finance team and other Council officers:

Zak Francis, Senior Audit Manager (County Council)

Keith Chaisewa, Audit Manager (Pension Fund)

Araminta Allen, In Charge Accountant

Munyaradzi Mushokomi, Assistant Manager

Audited Entity responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other audited bodies. Where the elapsed time to complete an audit exceeds that agreed due to an entity not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to an entity not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit, you need to :

- ensure that you produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, the Narrative Report and the Annual Governance Statement
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples for testing
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
- respond promptly and adequately to audit queries.

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Audit fees and updated Auditing Standards including ISA 315 Revised

In 2018, PSAA awarded a contract of audit for Nottinghamshire County Council and Nottinghamshire Pension Fund to begin with effect from 2018/19. The fee agreed in the contract was £75,624 for the Council and £23,043 for the Pension Fund. Since that time, there have been a number of developments, particularly in relation to the revised Code and ISA's which are relevant for the 2022/23 audit. For details of the changes which impacted on years up to 2021/22 please see our prior year Audit Plans.

The major change impacting on our audit for 2022/23 is the introduction of ISA (UK) 315 (Revised) - Identifying and assessing the risks of material misstatement ('ISA 315'). There are a number of significant changes that will impact the nature and extent of our risk assessment procedures and the work we perform to respond to these identified risks. Key changes include:

- Enhanced requirements around understanding the Council's IT Infrastructure and IT environment. From this we will then identify any risks arising from the use of IT. We are then required to identify the IT General Controls ('ITGCs') that address those risks and test the design and implementation of ITGCs that address the risks arising from the use of IT.
- Additional documentation of our understanding of the Council's business model, which may result in us needing to perform additional inquiries to understand the Council's end-to-end processes over more classes of transactions, balances and disclosures.
- We are required to identify controls within a business process and identify which of those controls are controls relevant to the audit. These include, but are not limited to, controls over significant risks and journal entries. We will need to identify the risks arising from the use of IT and the general IT controls (ITGCs) as part of obtaining an understanding of relevant controls.
- Where we do not test the operating effectiveness of controls, the assessment of risk will be the inherent risk, this means that our sample sizes may be larger than in previous years.

These are significant changes which will require us to increase the scope, nature and extent of our audit documentation, particularly in respect of your business processes, and your IT controls. We will be unable to determine the full fee impact until we have undertaken further work in respect of the above areas. However, for an authority of your size, we estimate an initial increase of £5k. We will let you know if our work in respect of business processes and IT controls identifies any issues requiring further audit testing.

The other major change to Auditing Standards in 2022/23 is in respect of ISA 240 which deals with the auditor's responsibilities relating to fraud in an audit of financial statements. This Standard gives more prominence to the risk of fraud in the audit planning process. We will let you know during the course of the audit should we be required to undertake any additional work in this area which will impact on your fee.

Taking into account the above, our proposed work and fee for 2022/23, as set out below, is detailed overleaf and has been agreed with the Director of Finance.

Audit fees

	Actual Fee 2020/21	Final Fee 2021/22	Proposed fee 2022/23
Nottinghamshire County Council Audit	£120,124	£146,274	£129,374
Nottinghamshire Pension Fund Audit	£35,293	£44,456	£58,656*
Total audit fees (excluding VAT)	£155,417	£190,730	£188,030

*The proposed audit fees for 2022/23 include IAS 19 Assurance fees resulting from the fee being classed as a code fee. In the prior year the fees were shown as a non-audit fee.

Assumptions

In setting the above fees, we have assumed that the Council and Pension Fund will:

- prepare a good quality set of accounts, supported by comprehensive and well-presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements.

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2019\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver the audit to the required professional and Ethical standards.

Independence and non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons, relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard (Revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council and Pension Fund.

Other services

Other services provided by Grant Thornton were identified and are set out overleaf.

The amounts detailed are fees agreed to-date for audit related and non-audit services to be undertaken by Grant Thornton UK LLP in the current financial year. These services are consistent with the Council's policy on the allotment of non-audit work to your auditors. Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

None of the services provided are subject to contingent fees.

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Independence and non-audit services

Nottinghamshire County Council

Service	Fees £	Threats	Safeguards
Audit related			
Certification of Teachers' Pensions return (County Council)	8,500	Self Interest	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £8,500 in comparison to the total fee for the audit and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
		Self review	We have not prepared the form which we review and do not expect material misstatements to the financial statements to arise from this service.
		Management	Changes to the return and the factual accuracy of our report will be agreed with informed management.
Non-audit related			
CFO Insights subscription (County Council)	15,000	Self-Interest	<p>The Council renewed its subscription to CFO insights for 12 months from July 2022. The cost of the service over the 12 month term is £15,000.</p> <p>The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work in comparison to the total fee for the audit and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.</p>

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Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings	
Respective responsibilities of auditor and management/those charged with governance	•		<p>ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.</p> <p>This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.</p> <p>We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.</p> <p>Respective responsibilities</p> <p>As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.</p> <p>The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.</p>
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	•		
Confirmation of independence and objectivity of the firm, the engagement team members and all other indirectly covered persons	•	•	
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•	
Significant matters in relation to going concern	n/a	•	
Significant findings from the audit		•	
Significant matters and issue arising during the audit and written representations that have been sought		•	
Significant difficulties encountered during the audit		•	
Significant deficiencies in internal control identified during the audit		•	
Significant matters arising in connection with related parties		•	
Identification or suspicion of fraud[deliberate manipulation] involving management and/or which results in material misstatement of the financial statements [not typically council tax fraud]		•	
Non-compliance with laws and regulations		•	
Unadjusted misstatements and material disclosure omissions		•	
Expected modifications to the auditor's report, or emphasis of matter		•	

19th July 2023

Agenda Item: 6

**REPORT OF SERVICE DIRECTOR FOR FINANCE, INFRASTRUCTURE &
IMPROVEMENT**

ANNUAL FRAUD REPORT 2022/23

Purpose of the Report

1. To present to Members the Council's Annual Fraud Report.

Information

2. The Council's strategy for countering fraud and corruption includes the requirement for an Annual Fraud Report to be submitted to the Governance & Ethics Committee. This requirement is included in the strategy with a view to demonstrably strengthening the counter-fraud culture at the Council.
3. The attached report represents the seventh edition of the Annual Fraud Report. It sets out an update regarding national fraud risks impacting on the County Council, the preventative and detective incidents identified over the last 12 months and an assessment of the Council's resilience to attacks. The report also reviews progress against the fraud related actions planned for delivery in 2022/23, along with those to be pursued in 2023/24 to ensure the Council's defences against fraud are maintained.

Other Options Considered

4. None, since the requirement to publish an Annual Fraud Report is a feature of the Council's strategy for countering fraud and corruption.

Reason for Recommendation

5. To inform the Committee of the Council's current arrangements for tackling fraud and corruption and to invite suggestions for how those arrangements can be improved.

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 the Committee notes the content of the Annual Fraud Report 2022/23

Nigel Stevenson

Service Director for Finance, Infrastructure & Improvement

For any enquiries about this report please contact:

Simon Lacey

Group Manager Internal Audit and Risk Management

Constitutional Comments (CEH 09/06/2023)

The report falls within the remit of the Governance and Ethics Committee.

Financial Comments (SES 07/06/2023)

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

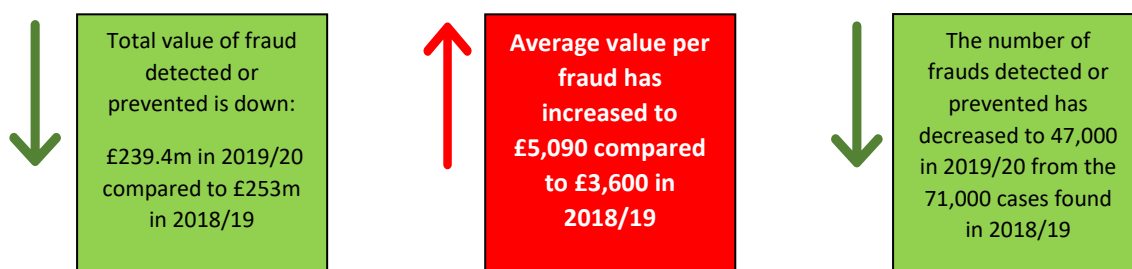
Electoral Division(s) and Member(s) Affected

- All

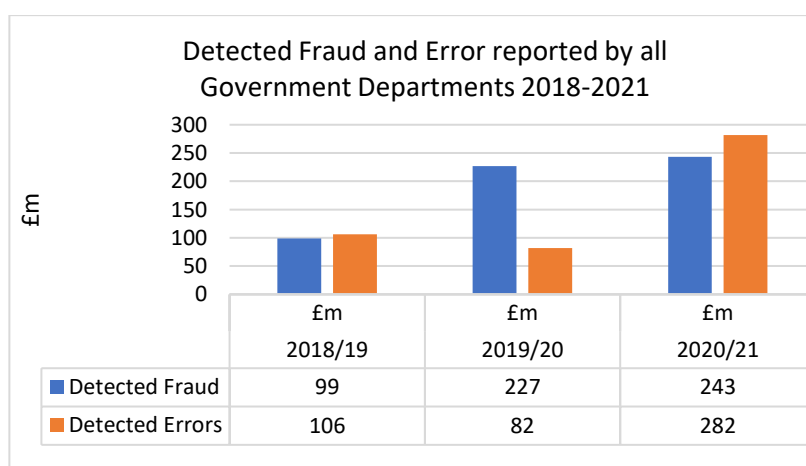
ANNUAL FRAUD REPORT 2022/23

1. National Fraud Landscape

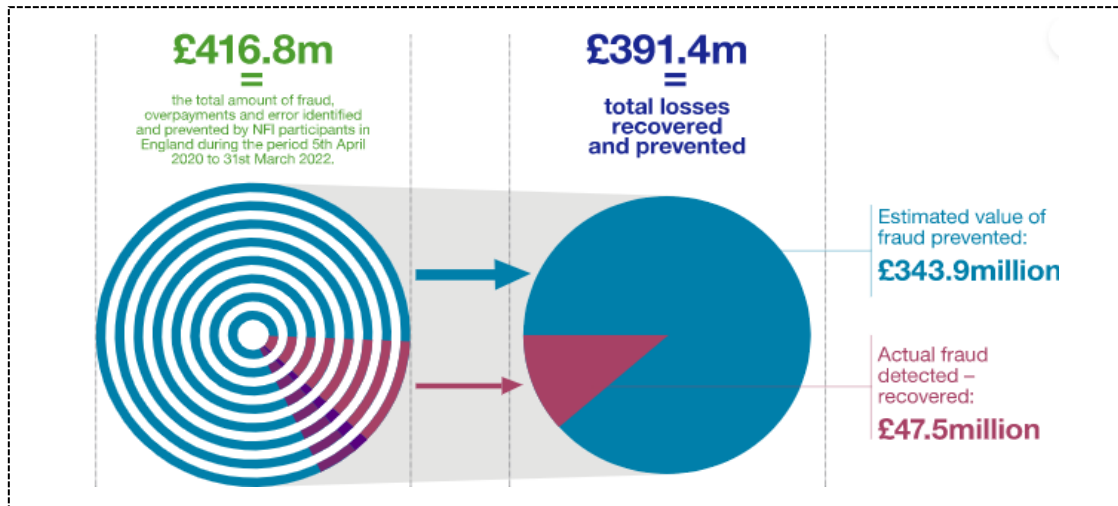
- 1.1. The CIPFA backed publication, 'Fighting Fraud & Corruption Locally' (FFCL), is the recognised counter fraud and corruption strategy for local government and was adopted by the Council in 2020.
- 1.2. The key fraud risk areas for local government were previously highlighted by the CIPFA Counter Fraud Centre (CCFC)'s annual 'Counter Fraud and Corruption Tracker' (CFaCT). The Council previously participated in this annually, however, the exercise has not been undertaken since 2019/20 and there is no alternative comparable data. Therefore, the latest reported figures for 2019/20 compared to 2018/19 financial year are as follows:



- 1.3. Whilst there are no local authority statistics, the UK government has published a Cross-Government Fraud Landscape Annual Report 2022 which reports upon levels of fraud and error across government departments for the 2020/21 financial year. This indicates there has been a rise in the levels of reported fraud and error in the public sector. This is in the context of increased levels of spending and fraud risk as a result of the pandemic.
- 1.4. The Government Counter Fraud Function estimates that in 2020, the level of fraud and error was between £33.2bn and £58.8bn outside of Covid-19 specific schemes. The incidences of identified fraud and error reported across the public sector since 2018 are as follows:



1.5. According to the Cabinet Office their National Fraud Initiative Report (NFI) December 2022, fraud is estimated to account for 40% of all crime committed across the UK. Matched data is used to help in the prevention and detection of fraud. It is reported that in the period 2020 to 2022, the NFI has enabled participant organisations to detect/recover £417m across England.



Source: NFI 2020 to 2022 Outcomes in England, Cabinet Office

1.6. Nottinghamshire County Council participates annually in the NFI exercise and the latest data for matching was submitted in October 2022. Further details of our involvement in the NFI exercise and any reported outcomes are included in section 2.11 below.

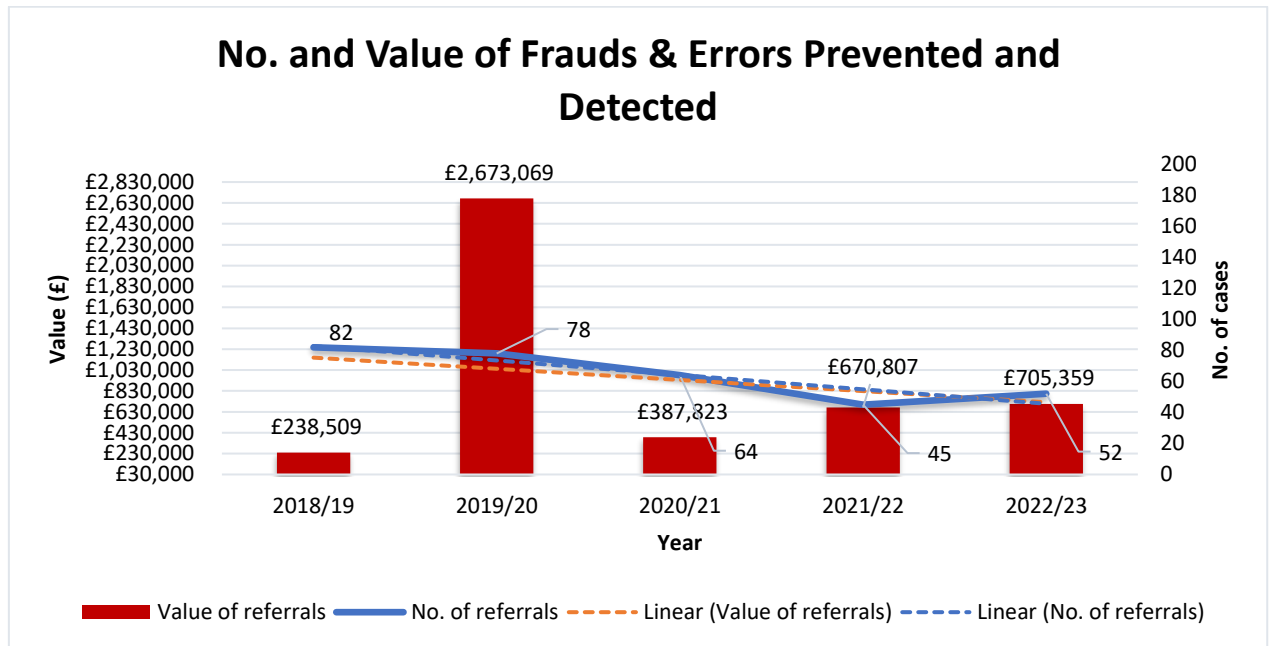
2. Incidence of Fraud Prevention and Detection at Nottinghamshire County Council

2.1. The Council is committed to responding to the threat of fraud and it continues to take a zero-tolerance stance. This is put into practice through a broad range of activity. The continuing counter fraud strategy over the past few years has focused on prevention and detection of fraud. This can be attributed to several factors including:

- Corporate Leadership Team’s and senior members’ commitment to the counter fraud agenda through the development and backing of the Counter Fraud and Counter Corruption Strategy.
- Continued engagement with national research, intelligence gathering and development of data analysis.
- Risk assessment to identify emerging risks and to target reviews in higher risk areas.
- Raising awareness of the counter fraud agenda among all our staff, along with improving understanding and arrangements for capturing instances of detected and prevented fraud.
- Officers across the Council undertaking a variety of daily activities to prevent and detect fraud.
- A minority of cases result in sufficient evidence to warrant the use of the prosecution sanction.

2.2. Within this section we recognise both fraud detection and fraud prevention outcomes in assessing the value of the Council’s overall exposure to suspected and possible fraudulent activity. The graph below analyses the trend over the last five years in the number and value of

fraud prevention and detection cases at the Council. The dotted lines represent trends in the number and the value of cases.



2.3. The blue dotted trend line on the chart above shows an overall decline in the total number of cases compared to recent years, although numbers and values for 2022/23 are slightly higher than in 2021/22.

2.4. In 2022/23 the value of suspected fraud cases increased overall mainly due to insider fraud cases totalling £196,329 and a suspected fraudulent insurance claim for £237,526. Although the insurance claim was initially considered a potential fraud risk, this was investigated and found to be genuine, leading to no further action. Mandate frauds dropped from £527k in 2021/22 to £129k in 2022/23. Robust controls in the Business Support Centre have continued to prevent these attempts from being successful.

2.5. As indicated above, three instances of insider fraud were identified in the year, resulting in estimated losses of £196k. Instances occurred in a School, Direct Payments Team and in ICT. The cost-of-living crisis may have increased the number of employees looking for weaknesses in internal controls to manipulate. As a result of these cases, Internal Audit have carried out reviews of internal controls in those areas. Reports have been issued to management highlighting weaknesses in their processes and action plans have been agreed to make control procedures, preventative and detective measures more robust.

2.6. A summary of the cases of potential fraud and errors are identified in 2022/23 is presented in the following table.

Nature of potentially fraudulent activity and errors	No of Cases	Detection Source	Estimated Value Involved	Action Taken
Adult Social Care - internal theft of DP monies	1	Internal controls	£74,184	Reported to Police. Internal investigation and review of internal controls complete - Employee dismissed.

Nature of potentially fraudulent activity and errors	No of Cases	Detection Source	Estimated Value Involved	Action Taken
Adult Social Care – Financial Assessments deprivation of assets	16	Internal Controls	£15,470	Estimated annual reduction in NCC costs because of checks.
Adult Social Care – Direct Payments Fraud and Misuse	12	Internal Controls	4,043	Invoices raised and recovery in progress.
Adult Social Care - Staff Payment Errors	1	Internal Controls	£64,765	Internal investigation by Dept and Payroll.
Payments Team - Purchase Card fraud	6	Internal controls	£487	Monies recovered from card provider.
Payments Team - Attempt to change Supplier Bank Details (via hacked email address)	4	Internal Controls	£129,000	Suppliers were alerted to fraud attempt. Mandate changes were not made and therefore no monies were lost
ICT - Stolen New Laptops	1	Internal controls	£22,145	Internal investigation and reported to Police. Improved monitoring and checking now in place.
ICT - 3 Stolen Laptops from individuals	3	Through reports from the user	£3,225	Used devices remotely wiped and blocked. Reported to Police.
ICT - 2 Stolen Mobile Phones (assigned to staff)	2	Through reports from the user	£390	Sim blocked and loss reported to Information Governance Team and Police.
ICT - Mobile phone account hacked and procurement of multiple iPhones	1	Internal controls	£37,886	Reported to EE who notified Action Fraud. Enhanced password controls introduced.
Insurance – suspected fraudulent claims	1	Internal controls	£237,526	Internal controls. (Although fraud risk was highlighted in the early stages of the claim, eventually liability was accepted in full and the claim settled.)
School - Unauthorised overtime claims, purchase card transactions and payments	1	Internal controls	£100,000	Internal and Police investigations undertaken.
School - Purchase card	1	Internal controls	£635	Payments recovered and passwords on accounts changed.
Place Dept Household Support Grant Claims	1	Internal controls	£10,830	Payments of £9,690 stopped and further claims blocked.
Children’s and Families Dept - Care Provider Claims	1	Internal controls	£4,773	Internal investigation concluded and monies recovered.
TOTALS	52		£705,359	
Blue Badge - Misuse	26	Special Enforcement days and CEO Patrols	£14,950	Misuse resulting in the issue of a PCN and cessation of passes
Disabled/Over 60’s Concessions	104 Stolen 2,308 Lost	User notifications	£3,220	Cessation of passes
Cyber Security	Numerous Daily	ICT Controls	Not Quantified	External and internal defence systems to prevent or detect attacks

2.7. In compliance with the Transparency Code, NCC publishes summary information on its website each year concerning its arrangements for countering fraud. This includes the number of fraud cases investigated each year. The published details for the past three years are shown below.

Information	2020/21	2021/22	2022/23
No. employees involved in fraud investigation	29	26	40
No. professionally accredited fraud specialists	1	1	1
Estimated Cost of employee time investigating fraud	£180,607	£173,339	£205,058
No. of suspected fraud cases investigated	62	45	52

2.8. The cost of staff actively involved in identifying and preventing fraud has increased since the previous year, mainly as a result of staff time investigating internal fraud cases.

2.9. Similarly, the number of staff involved in investigations has also increased due to a wider number of staff investigating those cases. Whilst there were increased numbers of staff involved in cases, when added together, staff time spent on counter fraud work equates to just over four full time staff (including on-costs) over the year. Three of these staff work full-time in the ACFS Team.

National Fraud Initiative

2.10. The 2020-22 exercise is now complete and the key statistics for Nottinghamshire were:



28 reports matching NCC data against data from DVLA, DWP, mortality data, etc



14,209 total matches
1,551 high priority matches



NCC staff examined
14,209 matches on a risk basis



£401,777.69 outcomes identified (including £320,136 “co-estimates”)

2.11. The 2020-2022 NFI national outcomes in England (July 2022, compiled by the Cabinet Office), in the headline categories of fraud for County Councils are shown below, alongside the NCC potential fraud/error outcomes for 2020-22 and 2022-23.

Category	Cabinet Office Annual Stats (England) 2020-2022	NCC Outcomes 2020-2022	NCC 2022-2023
Pension/Payroll matches	£9.3m reported outcomes from 12,098 cases	No reported outcomes from 1,668 matches	1 case opened from 917 cases. No reported outcomes yet

Category	Cabinet Office Annual Stats (England) 2020-2022	NCC Outcomes 2020-2022	NCC 2022-2023
Trade Creditors	£6.1m detected from 955 duplicate creditor payments	£81,640 reported outcome from 7,639 matches	357 cases opened from 5,881 matches identified. No reported outcomes yet
Total Reported Outcomes	£15.4m	£81,640	£0
Other significant estimated results			
Blue Badges cancelled or withdrawn (no's) – based upon potential misuse	£24.4m ¹ outcomes from 42,383 matches	£276,000 ¹ reported outcomes from 480 matches	11 cases opened from 2,193 cases. No reported outcomes yet
Concessionary Travel Passes Cancelled (no's)	£5.5m outcomes from 255,710 matches	£44,136 ² reported from 1,839 matches	All 2,641 matches processed. £56,203 ² reported outcomes from 1,815 cases
Residents Parking Permits		11 cases completed. No reported outcomes	All 12 cases opened and processed. No reported outcomes
¹ £575 per blue badge cancelled to reflect the estimated annual cost of blue badge fraud, the likelihood that badges are misused and the duration that fraudulent misuse will continue.			
² Number of passes identified by NFI and cancelled due to person deceased, multiplied by £30.97 (£24 in 2021-22), based on the cost of reimbursement to bus operators for journeys made under the concessionary pass scheme and the duration of fraudulent pass misuse during fy 2022-23.			

2.12. The 2022-23 NFI matches were returned by the Cabinet Office in January 2023, however, the majority of the checks for the matches remain outstanding. Work to investigate the matches is under way and an update on progress and outcomes will be provided in our fraud progress report in January 2024.

3. Fraud Risk Assessment

3.1. Internal Audit annually reviews and updates the Council's FRA to assess the nature of fraud and corruption threats to the Council. The assessment draws on intelligence from a variety of sources:

- National Anti-Fraud Network and National Fraud Intelligence Bureau alerts which are routinely received, reviewed and disseminated by Internal Audit.
- Liaison with the Midland Counties Counter Fraud Group – Knowledge Hub. This group is used as a forum to raise questions and share knowledge of potentially fraudulent activity or issues that have arisen at other local authorities.
- National publications, professional bodies such as CIPFA & IIA.

- Discussion with service managers across the Council to understand inherent and residual risks facing services vulnerable to fraud.
- Head of Internal Audit's knowledge and risks from core systems and the assurance mapping process.
- Analysis of incidences of suspected cases at the Council.

3.2. The latest review of the FRA, highlights the following threats as potentially having the highest impact at the Council:

External Threats

- Adult social care – personal budgets
- Adult social care – misuse of direct payments
- Adult social care – deprivation of assets to increase the Council's contribution for care costs
- Bank mandates – attempts made to make changes to supplier bank accounts
- Pension fund – continuation of payments in respect of deceased persons
- Procurement fraud – during the contract management stage of activities and including invoices for services not delivered, received or sub-standard
- Social Engineering – Phishing, vishing etc to obtain data by deception
- Blue badges – invalid use of parking permits

Internal Threats

- Payments – abuse of position and opportunity
- Collusion – two or more employees acting together to nullify internal checks
- Payroll – submission of false claims for overtime, allowances and expenses
- Procurement – abuse of procurement processes and procurement cards

4. How is Nottinghamshire County Council responding to fraud risk?

Governance and Members

4.1. The Council's Governance and Ethics Committee continues to provide the focal point for member engagement with the counter fraud agenda. Members oversee the review of policies and guidance material that underpin the delivery of the counter fraud agenda across the Council, and this continued through 2022/23:

- Counter Fraud & Corruption Policy and Fraud Response Plan
- Anti-Money Laundering Policy
- Updated self-assessment against the Fighting Fraud & Corruption Locally checklist
- Whistleblowing policy

Internal Audit and Counter Fraud

4.2. The Internal Audit Team incorporates pro-active and responsive counter-fraud work in its termly plans:

- Helping to promote a counter-fraud culture - awareness-raising articles in 'Team Talk' and 'Intranet News' over the year, and especially to coincide with the International Fraud Awareness Week in November. The online counter-fraud training was updated in October 2021 and 141 people have completed the course in financial year 2022/23.

- Detective checking – through application of its data-enabled audit strategy and use of data analytic software as part of its routine audit work.
- Prompting targeted checks by others - through the dissemination of information and advice.
- Data-matching - co-ordination of the Council's participation in ongoing NFI and NFI Recheck exercises.
- Continuous assurance – routine data monitoring for indicators of fraud in a range of corporate systems and processes.
- We have also been engaged in reviewing control procedures within the Computer Equipment Replacement Program (CERP), Direct Payment Pre-paid cards processes and auto-enhanced pay procedures for night workers.
- Counter-fraud work undertaken in relation to the household support grant, utilising data analytics and IDEA to interrogate payment records to identify duplicates and full recovery.
- Completion of actions within our Counter-Fraud Action Plan included a root-cause analysis of fraud cases. The analysis identified key priorities in relation to Direct Payment monitoring procedures, care provider claims checking and separation of duties in relation to School payments to employees and suppliers. Actions have been agreed with management in relation to these areas.
- A review of controls in relation to mandate fraud was also undertaken. A draft report has been issued to management and we have identified robust controls in place which have prevented several fraud attempts across the past few years. However, further actions are required to ensure the same level of controls are also exercised in schools.
- Outcomes in relation to ongoing fraud cases is reported to Members as part of our termly updates.

Business Services Centre (BSC)

4.3. A range of fraud preventative activities are carried out by the BSC as part of the recruitment process and the setting-up of new employees on the payroll:

- Recruitment – applying checks for new employees on the right to work in the UK, along with workflow prompts for managers to complete ongoing checks for those with temporary leave to remain in the UK. Carrying out Disclosure and Barring Service (DBS) checks (including identity checks) for prescribed categories of employee and improving reference response rates through the use of the online application. Strong controls are in place as demonstrated through the year.

The Accounts Payable (AP) Team have continued to be active in the year as part of their ongoing commitment to reduce the potential for duplicate invoice payments or fraudulent attempts to divert payments to a different bank account. They have implemented a number of activities and have others that are in progress or planned for the year including:

- AP hold a register of information relating to potential and actual fraud activities and this is shared within the Team to raise awareness, this is also reviewed at a monthly AP Controls Meeting.
- Increased collection of vendor data to ensure those who have merged or gone into administration can be checked to ensure changes can be correctly verified.
- Draft up and send out a reminder to Budget Holders about the responsibilities for ensuring appropriate checks are in place to ensure payments aren't duplicated.

- Design a basic template to send out to budget holders to request confirmation of what happened when a duplicate payment has been made (this information is normally included in email correspondence with the service).
- Issue a general reminder to all staff about Fraud Awareness and refer to e-learning modules (mandatory training), not sharing supplier bank details and making sure suppliers send invoices directly to AP instead of locally to individuals.
- Reviewing options for duplicate payment checking software and reporting. Discussions are in progress with one supplier as to the feasibility and affordability of obtaining a bespoke checking process against high value transactions. Internal Audit are also planning on further exploring inhouse options using IDEA and Excel as part of the term 2 plan.
- Review of what data is provided in response to FOI Requests to reduce the potential for fraudulent invoices to be generated.
- Mandate fraud controls – strong controls to counter attacks aimed at the accounts payable process. As demonstrated during the year this has stopped payments totalling £129k.
- Separation of duties and access to core systems – software enabled, continuous monitoring of activity in the Council’s SAP accounting system to routinely detect transactions that warrant investigation. A new, annual check has been rolled out to require managers to validate continuing staff access requirements.

ICT

4.4. The cyber security agenda continues to make national headlines, and this is a primary area of focus for the ICT team including:

- Risk management process – alignment with the National Cyber Security Centre (NCSC) and Local Government Association (LGA) Directives and Best Practices.
- Digital and physical asset protection measures – these continue to successfully detect and deflect a variety of cyber related virus, malware and other malicious attacks against the Council.
- IT security standards - reviewed annually.
- Annual penetration testing by a CREST – an accredited Cyber Security Company is undertaken. Monthly stats on any successful Cyber Security incidents are collected, but so far there have been no incidents.
- External accreditation – re-certification in progress against Cyber Essentials, the Public Services Network Code of Connection (PSN) and the Data Security Protection Toolkit.
- Monthly reports on firewall blocking and SPAM email Phishing attacks.

Adult Care Financial Services Department (ACFS)

4.5. ACFS has developed a proactive approach and has in place rigorous measures to address the threat of losses due to the misuse of direct payments and intentional deprivation of assets:

- Direct Payment Policy, Agreement and staff guidance – embedded in the department’s processes

- Direct Payments Auditing and ACFS escalation process – Over 80% of financial audits for 2022/23 have been completed to date and are once again identifying cases of misuse. This has resulted in prompt recovery through ongoing payments and invoices being issued for repayment where service has ceased.
- Deprivation of assets - cases continue to be identified, resulting in recovery action being undertaken in accordance with Section 70 of the Care Act 2014.

Risk & Insurance

- 4.6. The Risk and Insurance Team continues to take a robust approach to fraudulent claims and has a well-developed fraud protocol in place. The team continues to use a 48-point checklist to screen new claims on a risk basis to detect false, exaggerated and potentially fraudulent cases. During 2022-23 the team have completed further training hosted by Zurich Municipal focusing on how fraud risk is evolving and how it can be prevented and detected. The team have successfully defended 930 claims for compensation during the year with a savings value of £2.07m. Although one claim was identified as being potentially fraudulent in the early stages of the case upon investigation, liability was eventually accepted in full and the claim settled.

Schools Finance

- 4.7. The work of the Schools Finance Team makes an important contribution to the counter-fraud activities:
- Advice to schools on finance and governance - including liaison with Internal Audit in relation to potential fraud cases
 - Fraud alerts – dissemination of intelligence about new and emerging fraud threats for schools through the Schools Portal
 - Routine audits – audits of schools on a five-year basis incorporate checking controls designed to mitigate potential fraud risks. Findings from individual reviews provide intelligence to identify areas of fraud risk and to disseminate warnings to others.

Procurement

- 4.8. The Procurement Team have robust processes and due diligence in place at the tendering stage to counter fraud.

Blue Badges

- 4.9. Activity to identify the misuse of Blue Badges continues. The focus for counter-fraud activity in this area includes the following:
- Issue of Penalty Charge Notices (PCNs) where Enforcement Teams identify incorrect use of badges.
 - Vigilance in identifying suspicious applications for badges, including repeated claims of badges being lost.
 - Liaison with the City Council and Police Compliance and Fraud Officer to share intelligence of badge misuse.
 - Participation in the NFI to identify and cancel active badges linked to deceased badge holders.

In addition, in 2022-23 three specific enforcement days were carried out as the team tightened up on enforcement. These were centred mainly around the Forest ground, due to an increase in Blue Badge parking adjacent to the ground. Two instances of misuse were

picked up within the 49 checks undertaken. In total, 24 Blue Badges have been seized in the year and 11 PCNs have been issued for blue badge misuse. All seizures have been done during a Civil Enforcement Officer's day-to-day patrol.

Concessionary Passes

- 4.10 Key actions to counter the fraudulent use of concessionary travel passes centre around failure to notify the Council of the death of a pass holder:
- Participation in the bi-annual NFI process
 - Linking in with the Council's 'Tell Us Once' process to facilitate notification of the death of a pass holder and establishing closer links with the Registration Service appears to have reduced the number of NFI matches significantly.
 - The hot-listing system designed to facilitate remote cancellation of any badges that should no longer be in use, has been delayed due to technical issues but is starting in July 2023. The facility for prompt cancellation of badges will most likely prevent some instances of fraud.
 - We have now identified a national website where we can filter Nottinghamshire deaths weekly and check against our database. This has enabled deceased pass holders to be quickly identified and should reduce the number of NFI matches moving forwards.

5. Counter Fraud Priorities for 2023/24

5.1. The following sets out priorities for 2023/24, all of which will be led by Internal Audit.

Action	Timescale
Pro-active work with the Travel & Transport team to respond to the threat of Blue Badge and Concessionary Travel Fraud, including an audit of the notification process (Tell Us Once) and the hot-listing system once established.	November 2023 (Term 2 Plan)
Continue to work with the Business Service Centre to develop additional in-house options to identify duplicate payments using Excel and IDEA Audit software, in line with key actions identified above.	November 2023 (Term 2 Plan)
Continue to review progress with actions from the FFCL self-assessment and address outstanding actions.	Ongoing to March 2024
New risk areas for consideration in the 2023-24 plan:	
The audit of mandate fraud has highlighted the need to work with School's Finance to raise awareness in Schools of the risks of mandate fraud and the best practice needed to prevent loses.	September 2023
Working with Pensions and Blue Badge teams to consider sources of data to facilitate the early detection of deceased notification so that pensions payments and blue badges can be cancelled much more promptly.	September 2023
Review fraud risk assessment and update to include emerging fraud risks.	September 2023
Insider Fraud – As part of International Fraud Awareness Week 2023 – raise awareness of insider fraud threats and the need for robust internal controls. Promote fraud awareness training and access to staff welfare and support programmes for those who may be struggling.	November 2023

19 July 2023

Agenda Item: 7

REPORT OF SERVICE DIRECTOR FOR FINANCE, INFRASTRUCTURE & IMPROVEMENT

INTERNAL AUDIT PROGRESS TERM 3 2022-23 AND TERM 2 PLAN 2023-24

Purpose of the Report

1. To inform Members of the work carried out by Internal Audit in Term 3 of 2022/23.
2. To consult with Members on the Internal Audit Plan for Term 2 of 2023/24.

Information

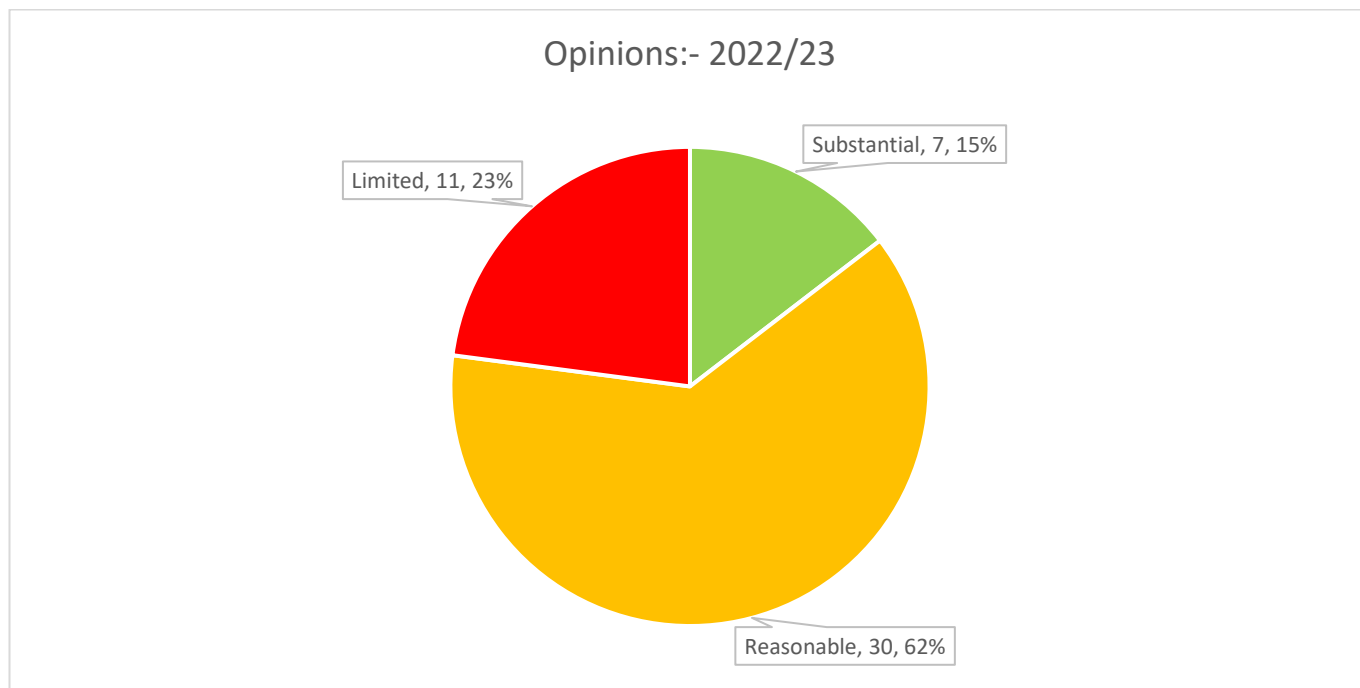
Internal Audit's work in Term 3 - 2022/23 – December 2022 to March 2023

3. Internal Audit continued to deliver its service through a flexible and agile approach, maintaining efforts to ensure the Team's coverage was complementary to the ongoing, cross-Council pandemic response. A range of work was completed across the Council, covering the following key types of Internal Audit input:
 - Assurance audits - for which an audit opinion is issued
 - Advice and consultancy – often relating to key developments, initiatives and changes to the internal control framework
 - Counter-fraud – primarily focussed on pro-active work to raise awareness of emerging fraud issues.

Audit assurance

4. The opinion-based assurance work is a key contributor to the Head of Internal Audit's year-end opinion on the adequacy of the Council's arrangements for governance, risk management and control. **Chart 1** shows the cumulative distribution of opinions issued in 2022/23, to the end of Term 3.

Chart 1- Opinions to Term 3 2022/23



5. **Chart 1** includes schools audits undertaken by the Children’s & Families’ Finance Team.
6. In terms of the work completed on the County Council’s services and systems, **Chart 2** analyses the opinions issued in Term 3 - 2022/23 by service area and level of assurance.

Chart 2- Opinions for Term 3 2022/23

	LIMITED ASSURANCE	REASONABLE ASSURANCE	SUBSTANTIAL ASSURANCE
COUNCIL-WIDE			Cash float usage Mandate fraud
CHILDRENS PLACE			
ADULTS	Direct Payment Pre-Paid Card fraud prevention		
CHIEF EXEC'S		ICT Back-ups	Pensions Investments
School Audits	7 Visits*	16 Visits	2 Visits

*The main reason for the Limited Assurance on school audits is the breakdown of the internal controls in relation to separation of duties and authorisation. This is due to the small number of staff involved, often only one office manager, who is able to generate and process transactions in relation to payroll, payments and expenses etc. Guidance and training is available to staff undertaking such functions from the Schools Finance Team.

7. The significant pieces of assurance work during Term 3 were the following:
 - Continuous Assurance – to provide a monthly report to the Council’s statutory officers on the application of internal control in key Council processes.

- Work on the Annual Governance Statement and G&E Committee Annual Report in preparation for their presentation to May 2023 Committee.
- Work on our annual Assurance Mapping exercise in preparation for its presentation to the June 2023 Committee.

Advisory input

8. Internal Audit continued to provide advisory input to developments across the Council. The following summarises the key areas of activity:
 - Home for Ukraine – a review of the systems in place to ensure that grant funding is properly used and accounted for.
 - Household Support Grant – advice on the identification and prevention of duplicate or fraudulent claims the grant.
9. Internal Audit's advisory input ensures that timely advice is delivered and can influence subsequent actions. The engagements in advisory work help to maintain the influence the Section has to retain a proper focus on control issues and provides intelligence for subsequent planned assurance activity.

Counter-Fraud

10. Internal Audit pursued its pro-active programme, disseminating fraud awareness materials to alert departments and staff of fraud risks and scams that emerged during Term 3. The following summarises the key areas of activity:
 - Counter Fraud Progress Report to the G&E Committee in January 2023.
 - National Fraud Initiative (NFI) – coordination and review of matches with departments.
 - National and Local Fraud Alerts – screening and distributing to relevant sections alerts publicised by national fraud agencies.
 - Advice relating to the prevention of fraud was included in the reports on Direct Payment Pre-Paid Card fraud prevention (para 6 above), and Household Support Grant (para 8 above).
11. In addition, Internal Audit advised in fraud investigation activities involving live cases outlined in the Annual Fraud Report.

Certification

12. Internal Audit also provides a certification function for a variety of grants received and distributed by the Council, and financial accounts in which the Council has an interest. During Term 3 the Beeston Youth & Community accounts was certified.

Internal Audit Performance

13. **Appendix 1** provides an update on the Section's performance in Term 3 against its key indicators. It includes the following charts to depict progress against the Term 3 Plan, expressed in terms of the following:
 - Inputs – the number of audit days delivered against the Term 1 plan. Each segment in the chart represents ¼ of the Termly Plan.
 - Outputs – the number of jobs completed against the plan. Each segment in the chart represents ¼ of the Termly Plan.
 - Productivity indicator – the target score is 1.

14. A good level of performance has been achieved and members' attention is drawn particularly to the following:

- Staffing resources – in Term 3 the team resources continued to be impacted by the Team Manager and a Senior Auditor providing interim cover for vacant positions. This was addressed by the commencement of a restructure in Term 3 which resulted in the Group Manager and Team Manager positions being filled in Term 1 2023/24. One of the two Internal Audit Apprentices also left at the end of Term 3. Following these changes, vacancies now exist at Senior Auditor and Internal Audit Apprentice level, which are now being recruited to. Available staffing productive days therefore continue to be lower and the Term 2 plan for 2023/24 has been flexed to accommodate the expected ongoing impact of this, until the vacant positions are filled.
- Assurance and Advisory activities – the completion of internal audit activity reflects the impact of staffing changes and is reflected in the agile approach adopted. Term 3 again demonstrates that the Team have continued to flex plans and provide advisory activities to support the immediate risks facing the Council. This has an impact on delivery of the planned assurance reviews, but these are kept under review for ongoing priority in subsequent plans, as identified in the Term 2 plan for 2023-24.
- In addition to undertaking planned and unplanned activities the 5-yearly External Quality Assessment of Internal audit took place in Term 3, which also impacted on productive time available for audit engagements. The External Quality Assessment was completed successfully and confirmed that the Internal Audit service operates to the expected professional and quality standards. The successful outcome was reported in full to the Committee in June 2023.
- Action tracking Implementation rates, for actions arising from audits, has improved, and has now exceeded the target of 75%. Our latest report on this to the Committee in June 2023 showed an implementation rate of 77% for 2021/22 actions and 94% for 2022/23 actions. This was an increase from the overall rate of 75% reported six months earlier. The next update on this is scheduled for November 2023.

Proposed Internal Audit Plan for Term 2 - 2023-2024

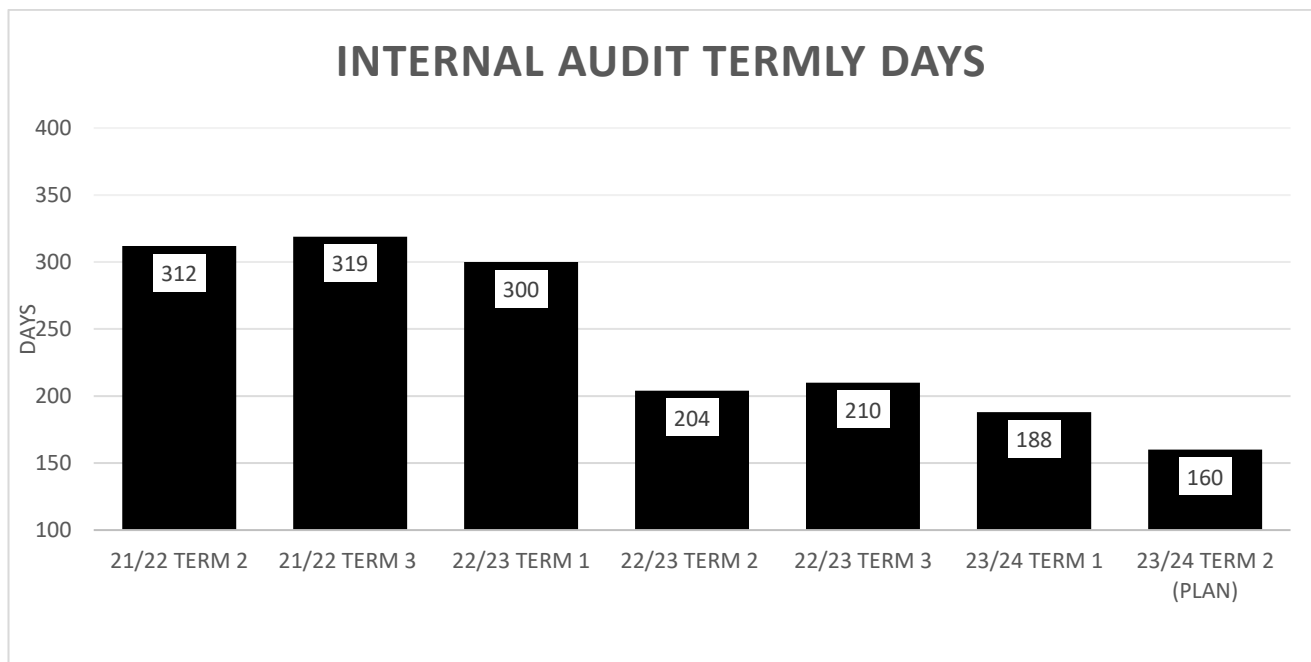
15. Internal Audit termly plans continue to be determined on a risk basis, as required by the Public Sector Internal Audit Standards, and using the methodology previously reported to Members.
16. The Term 2 plan represents the Section's assessment of the key areas that need to be audited in order to satisfy the Authority's statutory responsibility to undertake an adequate and effective internal audit of its system of internal control. The Section's aim is to complete enough work to express an overall, annual opinion on the adequacy and effectiveness of the Authority's internal control arrangements.
17. Termly planning continues to be developed in an agile way allowing the precise scope and objectives for each audit assignment to be agreed at the time the audit is to commence. Detailed discussions prior to an audit commencing should identify other sources of assurance already available for the area in question, thereby clarifying the risks on which Internal Audit's

focus should most impactfully be applied. At this planning stage, therefore, proposed topics for audit are expressed in terms of the broad rationale for their inclusion.

- 18. Similarly, the termly plan contains a forward plan of areas to be considered for inclusion in subsequent terms, which again will be subject to more precise scoping at the time the audit is to commence.
- 19. **Appendix 2** sets out details of the draft coverage by Internal Audit for Term 2, and it is summarised in the following table.

Assurance from Audit Coverage	Days	Outputs
Second Line Assurance work	20	1
Opinion Assurance	66	6
Advice / Consultancy Assurance	46	0
Counter Fraud Assurance	16	4
Certification Assurance	12	2
Total	160	13
External Client (Notts Fire & Rescue Service)	35	
Grand Total	195	

- 20. The chart below shows the trend in the number of actual days available in recent terms, excluding the external client.



- 21. The next Internal Audit update to Committee will cover details of the outcome of Internal Audit’s work in Term 1 2023-24 (April 2023 – July 2023).

Other Options Considered

22. The Internal Audit Team is working to the Public Sector Internal Audit Standards during 2023/24. This report meets the requirement of the Standards to produce a risk-based plan and to report the outcomes of Internal Audit's work. No other option was considered.

Reason/s for Recommendation/s

23. To set out the report of the Interim Chief Internal Auditor to propose the planned coverage of Internal Audit's work in Term 2 of 2023/24, providing Members with the opportunity to make suggestions for its content.

Statutory and Policy Implications

24. 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 completed and in the proposed Termly Plan may potentially have a positive impact on many of the above considerations.

Financial Implications

25. The Local Government Act 1972 requires, in Section 151 that the Authority appoint an officer who is responsible for the proper administration of the Council's financial affairs. The Service Director for Finance, Infrastructure & Improvement is the designated Section 151 officer within Nottinghamshire County Council. Section 6 of the Accounts and Audit Regulations 2011 requires Local Authorities to undertake an adequate and effective internal audit of its accounting records and of its system of internal control. The County Council has delegated the responsibility to maintain an internal audit function for the Authority to the Service Director for Finance, Infrastructure & Improvement and Section 151 Officer.

RECOMMENDATION

- 1) That the Committee notes the outcome of the Internal Audit work carried out in Term 3 – 2022/23 and the planned coverage of Internal Audit's work in Term 2 of 2023/24 be progressed to help deliver assurance to the Committee in priority areas.

Nigel Stevenson

Service Director for Finance, Infrastructure & Improvement and Section 151 Officer

For any enquiries about this report please contact:

Simon Lacey

Group Manager - Internal Audit & Risk Management

Constitutional Comments (GR – 09/06/2023)

26. Pursuant to the Nottinghamshire County Council Constitution, this Committee has the delegated authority to receive this report.

Financial Comments (PAA 19/06/2023)

27. 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

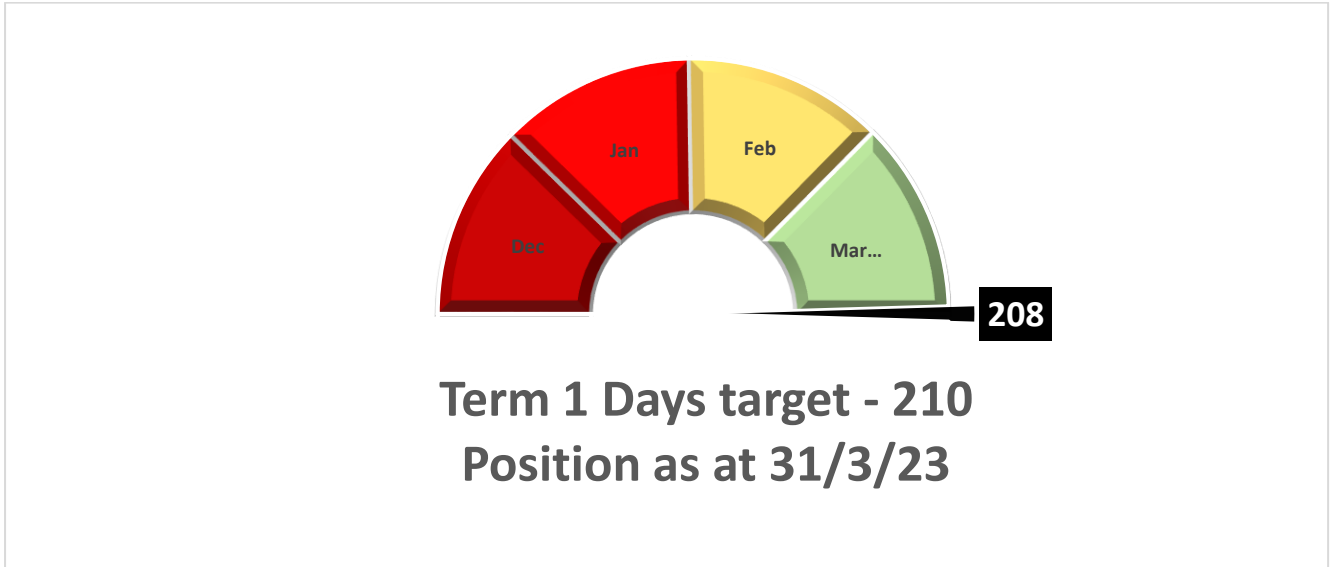
Electoral Division(s) and Member(s) Affected

- All

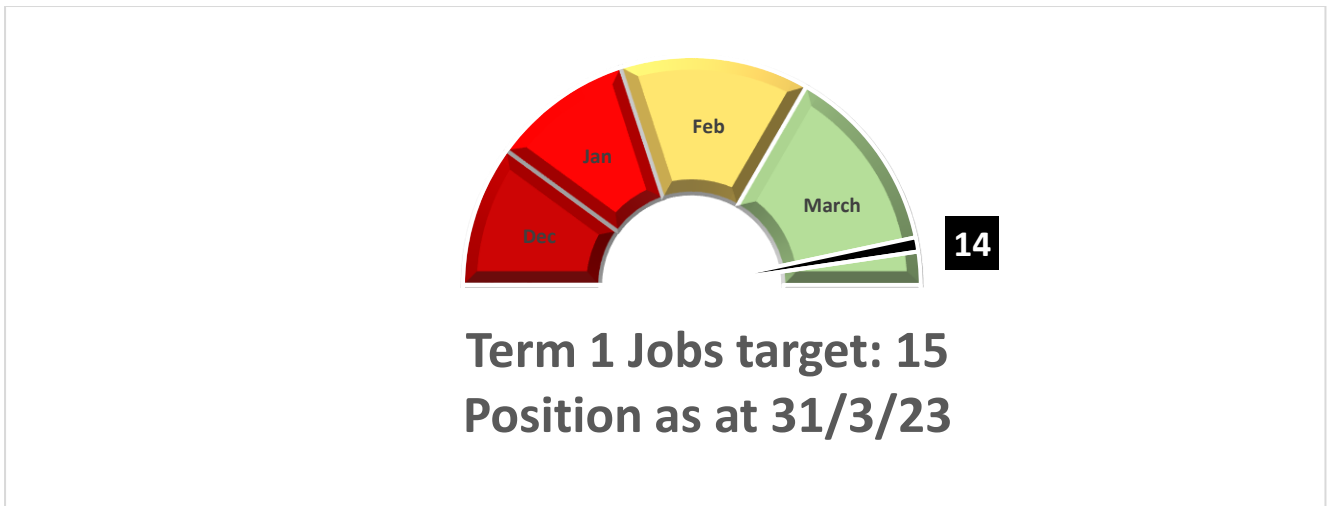
Area of Assurance Coverage	Priority Level (if risk assessed)	Job count	Other 3rd Line Assurance	Assurance from audit coverage and planned days					Potential scope or area of assurance coverage
				2nd Line Assurance Role	Opinion Assurance	Advice/ Consultancy Assurance	Counter-Fraud Assurance	Certification Assurance	
Audit Risk Assessment - Assurance Requirements for Term 2				Rationale for Assurance Requirement					
Governance Framework									
Continuous Audit Assurance	H	1		20					Core process based : continued reporting to Statutory Officers of routine assurance that core processes are operating as intended, or to identify areas for management/audit attention.
Action Tracking	H	1			25				Follow-up work : six monthly review of the implementation of management actions agreed from previous audits
Counter-Fraud									
Pro-active Counter Fraud - Continuation of pro-active counter fraud activity and International Fraud Week	H	1					8		Counter fraud : Continuation of pro-active counter fraud activity in accordance with the fraud action plan, including preparation and dissemination of materials for International Fraud Week and drafting of counter fraud progress report.
Pro-active Counter Fraud – <i>Review of Matches 2022-24</i>	H	1					4		Counter fraud : Review and report on the completion of recommended matches by the key contacts within departments for Cabinet Office.
Counter Fraud Alerts - network dissemination & review of training materials	H	1					3		Counter fraud : Review and dissemination of fraud alerts from national counter-fraud agencies.
Counter Fraud case reviews	H	1					1		Counter fraud : Regular liaison to address concerns of misuse and financial abuse involving service users
Certification									
Platt Lane Playing Fields and Beeston Youth & Community Centre	H	1						6	Certification - Audit certificate for the annual accounts
Bus Operators Grant	H	1						6	Certification - Audit certificate for use of the grant funds
Assurance									
Cabinet and Scrutiny Compliance	H	1			6				Intelligence based : Completion of the review of compliance with the new governance arrangement under the Cabinet and Scrutiny model to provide assurance and inform the AGS.
ICT Risk Plan - Network Management & Security (to be confirmed)	H	1			10				ICT Risk Based : Continuation of ICT audit coverage from the IT Audit Needs Assessment. Latest plan includes a review of ICT Networks which is to be confirmed.
Blue Badge and Concessionary Travel Fraud	H	0			5				Fraud Risk Assessment based - Commence a pro-active piece of work with the Travel & Transport team to respond to the threat of Blue Badge and Concessionary Travel Fraud as part of the Fraud Action Plan.
Duplicate Payments	H	0			3				Fraud Risk Assessment based - Commence a pro-active piece of work with BSC to develop additional in-house options to identify duplicate payments using Audit Software as identified in the Fraud Action Plan.
Consultants Engagements - retrospective waivers	H	1			5				Intelligence based : Completion of a review in line with s151 for the use of consultants and the volume of retrospective waivers - following on from the indicators identified by the continuous audit assurance work.
Procurement - Contract Management Framework	H	1			6				Intelligence based : Completion of a review of compliance with the operation of the contract management system used across council to effectively manage contracts.
Procurement to Pay	H	1			6				Core process based : Completion of a review of the controls in relation to the processing of payments from initiation to payment using data analytical techniques.
Sub-totals				20	66	0	16	12	
Planning, reporting, client management									
Governance & Ethics Committee		0				16			Core Activity : Preparation of reports in accordance with the Governance and Ethics Committee annual work plan and attendance at meetings.
Client management		0				20			Core Activity : Planning and termly progress reports to Corporate Leadership Team.
Advice		0				10			Core Activity : Advice to client on financial and other controls, on request. Includes potential input to the review of member travel expenses which is in the Governance & Ethics Committee's forward plan.
Sub-totals				0	0	46	0	0	

Area of Assurance Coverage	Priority Level (if risk assessed)	Job count	Other 3rd Line Assurance	Assurance from audit coverage and planned days					Potential scope or area of assurance coverage
				2nd Line Assurance Role	Opinion Assurance	Advice/ Consultancy Assurance	Counter-Fraud Assurance	Certification Assurance	
Grand Totals				20	66	46	16	12	
			13	160					
Forward Plan for assurance in subsequent Terms									
Performance Management	H								Core process based: Review arrangements in place for the routine reporting of performance information across the council. The need to review arrangements, generation of KPI's, data quality and reporting was highlighted in the external auditor's annual report.
Ethical Culture	H								Core process based: it is a requirement of the Public Sector Internal Audit Standards that we evaluate the organisation's ethical framework. Our previous review reported in 2019 (report 2018-55). This next review will examine how the ethical framework is understood and applied, including with reference to the Nottinghamshire Way approach adopted by the Council.
Accounts Receivable (Invoicing and Debtors)	H								Core process based: Review arrangements for the effective management and recovery of accounts receivable to support the MTFS. Review arrangements for income recognition and invoicing at a departmental level to ensure completeness.
Health & Safety	H								Core process based: To identify and assess the coverage of assurances from other sources that are available on Health & Safety, for subsequent inclusion in our Continuous Assurance monitoring and reporting.
ICT Risk Plan - Key System Security	H								ICT Risk Based: Audit to be identified from the current IT Audit Needs Assessment. This currently includes security and administration controls over a key systems e.g. BMS
s106 agreements - sufficiency of contributions	H								Intelligence based: Review of the sufficiency of developer contributions obtained under s106 agreements, to enable the proposed infrastructure to be provided
Payroll - Data Analytics	H								Intelligence based: Undertake a review of payroll controls for starters, leavers, payments, allowances using data analytical techniques.
Budget Setting & MTFS	H								Intelligence based: Undertake a review of robustness and consistency of budget setting processes and assumptions.
Asset Management	H								Intelligence based: Undertake a review as part of smarter working - the management of assets and the realisation of capital receipts.
PFI - arrangements for the exit	H								Intelligence based: Arrangements in place for the completion, exit and hand back of arrangements under PFI schemes
Thematic Review of Schools Finances - NAO Sustainability	H								Intelligence based: Undertake a review of processes within schools based on risks emerging from the NAO guidance and sustainability.
Social Care - Future Needs & Impact	H								Intelligence based: Undertake a review of intelligence and data analytics used to form a view of future needs with comparison of practices nationally within Adults and Children's.
Use of Agency Staffing	H								Intelligence based: Undertake a review of the use of agency staffing contracts across the Council and especially in high use areas.

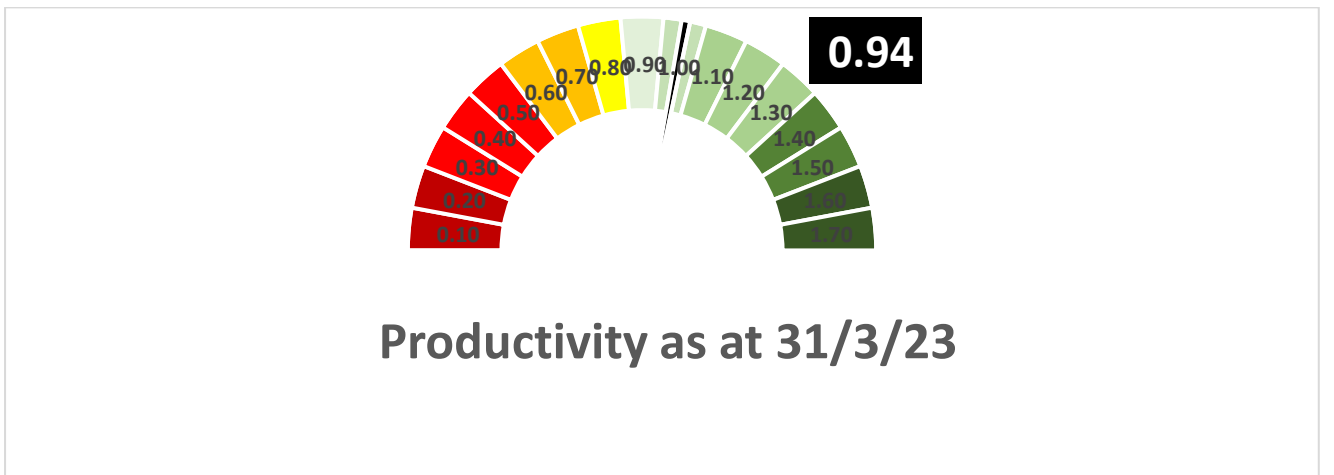
Term 3 – Inputs – Days Delivered



Term 3 – Outputs – Jobs Completed



Term 3 – Productivity Indicator



Key Performance Indicators

Performance Measure/Criteria	Target	Outcome in Term 3
1. Risk-aware Council		
Completion of Termly Plan – Days	90%	✓ 99%
- Jobs	90%	✓ 93%
Regular progress reports to: <ul style="list-style-type: none"> - Departmental Leadership Teams - Corporate Leadership Team - Governance & Ethics Committee 	1 per term 1 per term 1 per term	✓ Completed ✓ Completed ✓ Completed
Publication of periodic fraud/control awareness updates	2 per annum	✓ Progress Report - Jan 2023, and Annual Fraud Report - July 2023
2. Influential Audit Section		
Recommendations agreed	95%	✓ 100%
3. Improved internal control & VFM		
Percentage of Priority 1 & 2 recommendations implemented (Position as of June 2023)	75%	✓ 77% of 2021/22 actions ✓ 94% of 2022/23 actions
4. Quality measures		
Compliance with the Public Sector Internal Audit Standards (PSIAS)	Compliance achieved	✓ External Quality Assurance review undertaken in March 2023 confirmed compliance for 2022/23
Positive customer feedback through Quality Control Questionnaire (QCQ) scores	Feedback good or excellent (where a score of 4 is excellent and a score of 3 is good)	✓ 3.75

19 July 2023

Agenda Item: 8

REPORT OF THE SERVICE DIRECTOR, CUSTOMERS, GOVERNANCE AND EMPLOYEES

WORK PROGRAMME

Purpose of the Report

1. To review the Committee's work programme.

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 Options Considered

4. The option to not present a work programme to the Committee was rejected as it would not allow forward planning or management of agenda items.

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.

Marjorie Toward

Service Director, Customers, Governance and Employees

For any enquiries about this report please contact:

Kate Morris, Democratic Services Officer

Tel. 0115 804 4530

E-mail: kate.morris@nottscc.gov.uk

Constitutional Comments (EH)

7. The Committee has authority to consider the matters set out in this report by virtue of its terms of reference.

Financial Comments (NS)

8. There are no 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

GOVERNANCE & ETHICS COMMITTEE – WORK PROGRAMME (as at 14 June 2023)

Report Title	Brief Summary of agenda item	Lead Officer	Report Author
6 September 2023			
Update on Local Government and Social Care Ombudsman Decisions	To consider any recent findings of the Local Government Ombudsman in complaints made against the County Council	Marie Rowney	Richard Elston
Local Government & Social Care Ombudsman Annual Review letter	To receive the Annual Review letter of the Local Government and Social Care Ombudsman	Marie Rowney	Richard Elston
EHC Annual Review update report	To update the committee on performance against national targets	Peter McConnichie	Lynda Poole
Review of Member Travel Expenses	To consider the use of travel expenses	Marj Toward	
18 October 2023			
Update on Local Government and Social Care Ombudsman Decisions	To consider any recent findings of the Local Government Ombudsman in complaints made against the County Council	Marie Rowney	Richard Elston
Financial Regulation Waivers	To report on the number and value of financial waivers granted trough 2021/22	Nigel Stevenson	Kaj Ghattaora
29 November 2023			
Update on Local Government and Social Care Ombudsman Decisions	To consider any recent findings of the Local Government Ombudsman in complaints made against the County Council	Marie Rowney	Richard Elston
Whistleblowing Policy Review	To consider the outcome of the review	Marjorie Toward	Heather Dickinson/ Catherine Haywood
Internal Audit Term 1 Progress and Term 3 Plan 2023/24	To consider proposed audit coverage for Term 3	Nigel Stevenson	Simon Lacey
Annual Audit Findings report 2022/23	To consider the Annual Audit Findings	Nigel Stevenson	Glen Bicknell
Statement of Accounts	To seek approval for the 2021/22 Statement of Accounts and present the External Auditor's Audit Findings Report	Nigel Stevenson	Glen Bicknell
Follow-Up of Internal Audit recommendations – 6 monthly update	To consider an update on progress with implementing agreed actions from Internal Audit reports	Nigel Stevenson	Simon Lacey
10 January 2024			
Update on Local Government and Social Care Ombudsman Decisions	To consider any recent findings of the Local Government Ombudsman in complaints made against the County Council	Marie Rowney	Richard Elston

Internal Audit Charter	To review the Charter for the operation of internal audit in the Council	Nigel Stevenson	Simon Lacey
Regulation of Investigatory Powers Annual Report	To consider the use of Investigatory Powers	Marjorie Toward	Heather Dickinson
Governance Update	To consider progress against the Governance Action Plan for 2022/23	Nigel Stevenson	Simon Lacey
Counter Fraud Report	To update the committee on work undertaken to date in 2023/24	Nigel Stevenson	Simon Lacey
28 February 2024			
Update on Local Government and Social Care Ombudsman Decisions	To consider any recent findings of the Local Government Ombudsman in complaints made against the County Council	Marie Rowney	Richard Elston
Annual Audit Report 2022/23	To inform Members of the External Auditors' Annual Audit Report	Nigel Stevenson	Glen Bicknell
Internal Audit Term 2 Progress 2023/24 and Term 1 Plan 2024/25	To consider proposed audit coverage for Term 1	Nigel Stevenson	Simon Lacey
Corporate Governance Update	To receive an update on progress against the Annual Governance Statement action plan for 2022/23	Nigel Stevenson	Simon Lacey
17 April 2024			
Update on Local Government and Social Care Ombudsman Decisions	To consider any recent findings of the Local Government Ombudsman in complaints made against the County Council	Marie Rowney	Richard Elston
Review of the improvements to communication	To review the impact of the measures introduced by Adult Social Care Financial Services following corporate review and in response to LGSCO decision findings	Sue Batty	Nicola Peace
Statement of Accounts – 2023 – 24 Accounting Policies	To review and approve the proposed accounting policies used in creating the Statement of Accounts for 2023/24	Nigel Stevenson	Glen Bicknell
19 June 2024			
Update on Local Government and Social Care Ombudsman Decisions	To consider any recent findings of the Local Government Ombudsman in complaints made against the County Council	Marie Rowney	Richard Elston
Assurance Mapping Annual Report	To review the assurance provided from the map in 2022/23 and consider coverage for 2023/24	Nigel Stevenson	Simon Lacey
Internal Auditor's Annual Report	To consider the Head of Internal Audit's annual opinion of the arrangements for governance, risk management and control	Nigel Stevenson	Simon Lacey

Head of Internal Audit's Annual Report 2023/24	To inform the Committee of the Annual Report for 2023/24 and opinion on adequacy of arrangements for governance, risk management and control	Nigel Stevenson	Simon Lacey
Follow-Up of Internal Audit recommendations – 6 monthly update	To consider an update on progress with implementing agreed actions from Internal Audit reports	Nigel Stevenson	Simon Lacey
Use of the Councillors Divisional Fund 2023/24	To provide an annual update on the use of the Councillor's Divisional Fund for 2022/23	Marjorie Toward	Keith Ford
24 July 2024			
Update on Local Government and Social Care Ombudsman Decisions	To consider any recent findings of the Local Government Ombudsman in complaints made against the County Council	Marie Rowney	Richard Elston
Term 3 Progress 2023/24 and Term 2 Plan 2024/25	To consider proposed audit coverage for Term 2	Nigel Stevenson	Simon Lacey
Annual Fraud Report 2022-23	To review the incidence of fraud over the year and an update on risks and mitigations	Nigel Stevenson	Simon Lacey

