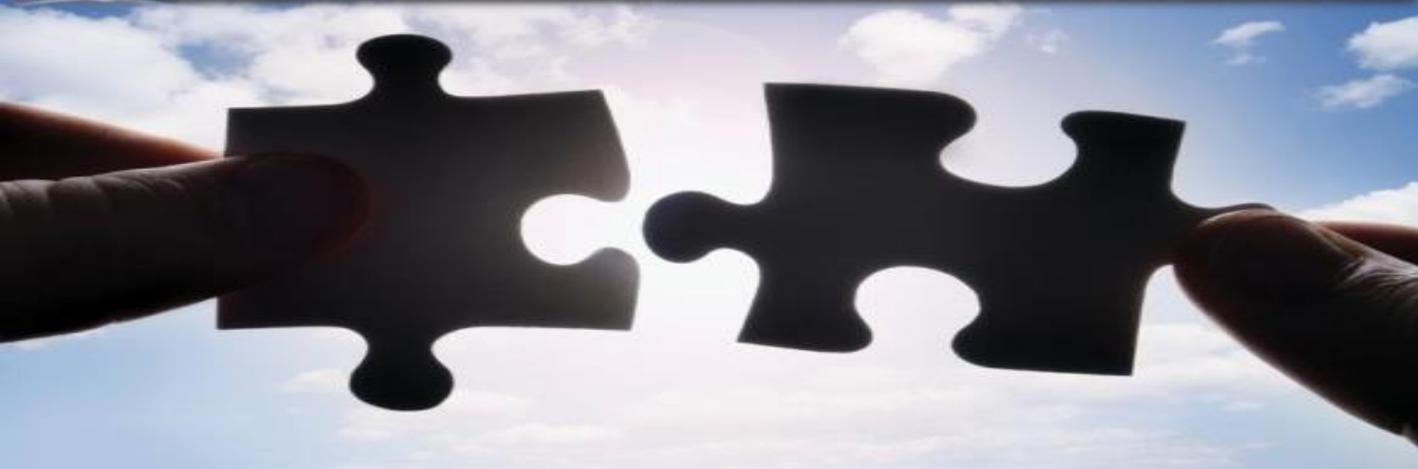


Internal Audit Progress Report



Newark and Sherwood District Council – July 2021

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The matters raised in this report are only those that came to our attention during the course of our work – there may be weaknesses in governance, risk management and the system of internal control that we are not aware of because they did not form part of our work programme, were excluded from the scope of individual audit engagements or were not brought to our attention. The opinion is based solely on the work undertaken as part of the agreed internal audit plan.

Introduction

The purpose of this report is to:

Provide details of the audit work during the period January 2021 to June 2021

- Advise on progress of the 2021/22 plan
- Raise any other matters that may be relevant to the Audit Committee role

Key messages

Since our last progress report in February 2021, we have issued nine assurance reports and one other financial opinion. We currently have twelve audits in progress (four at draft report stage, three at fieldwork and Five at planning stage).

We have completed 92% of the revised 2020/21 annual audit plan and work has started on the 2021/22 Annual Audit plan.

Internal Audit work completed – Assurance work:

The following audit work has been completed and a final report issued:

- Deliver an HRA Affordable Growth (5 year programme) – High assurance
- Covid grants – Substantial assurance
- Council Tax – Substantial assurance
- General Ledger / Financial Reporting – Substantial assurance
- Apprenticeship – Substantial assurance
- Cyber Security (Follow-up) – Substantial assurance
- Follow-ups (2020/21) – Substantial assurance
- Key Control Testing (2020/21) – Substantial assurance
- Newark Castle – Limited assurance

An overview of the assurance work is provided within the report with detailed information provided in Appendix 2 for completed audits where we have issued Limited Assurance.

Internal Audit work completed – Other (Financial)

We have completed a review of the Mansfield Crematorium Accounts relating to the 2021/22 plan.

Internal Audit Work in Progress – Assurance work:

The assurance audits in progress are:-

- Strategic Risk Management (2020/21) – Draft report
- Debt Management (2020/21) – Draft report
- Housing Options (2020/21) – Draft report
- Capacity and Capability 2020/21 – Fieldwork
- Strategic Risk – Financial Resilience (2021/22) - Planning
- Compliance Services – Landlord (2021/22) - Planning
- Policies and Procedures – integration (2021/22) – Planning
- Care Line Services – Planning



Internal Audit Work in Progress – Consultancy and Grant certification:

The consultancy and grant certification audits in progress are:-

- S106 (2020/21) – Draft report
- Decision Making (2020/21) – Fieldwork
- Flood grants(2020/21 and 2021/22) – Fieldwork
- Test and Trace Support Payments grant – Planning.

We currently have further details of these within the body of the report and in Appendix 3.

Progress on Implementation of agreed actions

There are currently 41 actions on our Action Tracker for implementation (17 are not yet due and management have advised that implementation of the remaining 24 actions that have surpassed their due date is ongoing). Seven of the overdue actions (29%) were attributable to Newark and Sherwood Homes and have passed into the Council for action. We have been advised that due to the impact of Covid 19, timely implementation of some actions has been delayed and the relevant Directors have reviewed these and approved extensions where appropriate in line with the agreed audit process.

There are 5 overdue actions which the Directors had previously approved extensions and a further action that had an extension approved by the Committee, we suggest that the Committee reviews these and considers whether further extensions are appropriate.

We have summarised the 6 actions as overdue actions in Appendix 7.

Variations to the 2021/22 audit plan

Whilst we present a plan at the start of the year, we review it periodically throughout the year to reflect changes in risk profiles. This helps to ensure that it covers those areas which are a priority to the Council and there is adequate coverage to inform the Head of Internal Audit's opinion.

In April 2021, the Committee approved some changes to the 2021/22 audit plan as follows:-

- Removed Digital Strategy from the plan
- Added Cloud Hosted Services and Selima HR / Payroll system

Management have requested one additional audit work to the plan for the Covid 19 Test and Trace Support Payments grant.

Note: The assurance expressed is at the time of issue of the report but before the full implementation of the agreed management action plan. The definitions for each level are shown in **Appendix 1**.

High Assurance

Deliver an HRA Affordable Growth (5 Year programme) 2019/20

The Council has a clear plan and sufficient resources to ensure effective delivery of the five year Housing Revenue Account Affordable Housing programme of developing 335 units over the 5 year period (2017/18 to 2021/22). There are arrangements which ensure that the contracts in place for the developers and the key consultants are monitored, maintaining effective delivery of the development programme.

The programme is on target for successfully completing the delivery of all the units within the scheduled timescale and approved budgets.

We identified several areas of good practice, including those which have ensured the achievement of Value for Money through the re-engineering of the build designs and robust checks to ensure correct application of the schedule of rates.

In response to addressing the significant concerns raised in the 2019/20 Homes England(HE) compliance audit, internal review of all schemes had been carried out and additional schemes which had similar breaches had been identified. For schemes that had similar systematic breaches, HE had been duly notified. Going forward, the Council has put in place measures to address the identified control weaknesses to ensure full compliance with the HE's requirements.

We identified one area where improvement is necessary to enhance effective management of the activity. This relates to ensuring regular reviews of the operational and strategic risks for the activity which are included in the Council's risk registers.

Substantial Assurance

Covid Grants

The Council has effectively administered the Small Business Grant Fund (SBGF), the Retail, Hospitality and Leisure Grants Fund (RHLGF) to ensure eligible local businesses were financially supported during the Covid-19 pandemic. A total sum of £26.62m had been paid to 2,269 local businesses.

Our review has not identified any material concerns - the Council has complied with the grant funding conditions and appropriately administered the grant scheme to ensure payments were made to support eligible local businesses.

The review identified some areas where the financial controls could be strengthened to ensure early detection and prevention of fraudulent claims. There were two incidents of fraud and two incidents of processing error which led to a small amount (£40k) being paid to ineligible claimants. The Council has taken reasonable measures to identify and recover 75% of this whilst the remaining balance continues to be investigated.

We have made a recommendation to ensure staff involved in the processing of grant claims are reminded to document a declaration of interest where they may have any links to a business which may apply for a grant. These applications can then be re-allocated to another officer enabling the Council to defend potential allegations of preferential treatment or fraud if they arise.

Substantial Assurance

Council Tax

There are effective processes in place which ensure that Council Tax due to the Authority is correctly identified, calculated and accounted for. We found that the controls are operating effectively to identify and mitigate the risks in managing Council Tax, in particular:-

- Council Tax charge per property band is correctly inputted onto the Council Tax system before the start of the financial year and is reviewed for accuracy to ensure the rate payers are charged correctly for their properties.
- Procedures are in place to ensure the property details held on the Council Tax system are accurate, complete and regularly reconciled to the Valuation Office reports.
- The annual process of producing the Council Tax bills for all chargeable properties is done accurately and in a timely manner.
- A reconciliation of the bills to the number of properties on the Valuation Office report and on the Council Tax system is undertaken.
- Discounts and exemptions are applied correctly to the ratepayers and where appropriate cross references are made to other linked systems e.g. Housing Benefits to confirm claimant's eligibility.
- Covid-19 hardship grants are awarded to eligible claimants. These are correctly administered in accordance with the government guidance.

We have suggested two improvements, one relating to the reconciliation of the annual bills to enhance the effectiveness of the billing and bill printing process. The other area of improvement relates to reviewing the process for awarding the discretionary Council Tax to ensure reviews are undertaken to support continued eligibility for those in receipt of the discount.

Substantial Assurance

Overall there is a good understanding of the financial procedures in this area. We found effective controls in place to support appropriate access to the General Ledger and the accuracy of the entries within it.

The Council upgraded its main Accounting System during the financial year and this required a change of access for some users.

We confirmed that:-

- General Ledger balances were checked before and after the upgrade and no issues were identified
- General Ledger access is only restricted to Council staff
- Authorisation limits are in line with the authorised signatory list and any departure through business unit request is authorised by the Councils S151 Officer
- The financial transactions are sufficiently supported by the underlying primary accounting records
- The interfaces between the E-Financials and other financial systems are working well and there are reconciliation processes in place to ensure the accuracy and completeness of the General Ledger.

We identified that improvements are necessary around the administration of the general journals to strengthen the controls and ensuring the integrity of the financial system is safeguarded.

General Ledger / Financial Reporting

Substantial Assurance

Overall there was a good understanding of apprenticeship opportunities by staff and management within individual Business Units. We did find some gaps and out of date knowledge, such as the availability of apprenticeship opportunities for existing staff and the process to employ an apprentice.

Our review found that the processes to employ and support apprentices within the Council are working well through:-

- Annual employee budget meetings between HR and Business Unit Heads include discussion about apprentices
- HR support to apprentices to integrate into the workforce and with employment opportunities in the last year of apprenticeship
- Flexible HR support to meet Business Unit need, from finding appropriate apprenticeship schemes to acting as an escalation route for any concerns about training providers
- Promotion of apprentice opportunities at careers fairs, through schools and internally as part of National Apprenticeship week

Good staff knowledge and regular monitoring is in place to ensure the apprenticeship scheme requirements have been met, timely use of the levy, and the accuracy of levy taken by training providers. The Council is committed to meeting the public sector apprenticeship target to employ an average of at least 2.3% of their staff as new apprentice starts over the period 1 April 2017 to 31 March 2021. This has been met to date and is reported to the Senior Leadership Team as one of the Council's key performance targets as part of the Community Plan.

In July 2019 the Council moved funding for apprenticeship posts to individual Business Units. We found that has worked well with a commitment to employ apprentices and a good understanding of the Council's decision to employ apprentices to support both succession planning and offer employment opportunities within the local community, as well as scheme requirements with time allocated to ensure 20% off the job training is met.

We have found the following areas where improvements can be put in place:-

- A policy and central reference point to detail the Council's steer on employment of apprentices, the opportunities available and the process to put an apprenticeship in place is set up.
- The addition of process notes and involvement of other staff in this area would offer better resilience for the Council in staff absence and set out the parameters for decision making.

Apprenticeship

Substantial Assurance

Cyber Security (Follow-Up)

As part of this follow-up review we have sought verification and evidence that the agreed actions have been implemented. We have confirmed that all of the actions agreed in the 2018/19 Cyber Security Audit have been implemented and as a result, we have given a Substantial Assurance audit opinion.

Our previous audit report provided details of our findings against the 10 guidance steps to Cyber Security which the National Cyber Security Centre (NCSC) had published at that time to help organisations protect themselves in a cyberspace.

To enhance the Cyber Security arrangement, we have made a recommendation to ensure that ICT policies are kept up-to-date enabling staff to use the updated version of the policy which provides safeguards for the protection of the systems.

Substantial Assurance

Follow-Ups (2020/21)

Our review found that 86% of the implemented agreed actions we selected for review have been satisfactorily implemented, this is a reduction from 94.7% which was achieved last year.

We have recommended that the partially implemented actions are revisited to ensure full compliance and implementation of all agreed actions by October 2021 and we will follow up completion as part of the usual follow up process.

Whilst progress continues to be made, it is essential that managers are reminded that agreed actions should continue to be implemented - ensuring continued improvement.

Substantial Assurance

Overall the key controls tested operate effectively and as expected. There are robust processes in place which protect the business from increased exposure to fraud and error.

There were some areas identified, where further improvements in key controls are necessary:-

Substantial Assurance - HR - Recruitment

- Ensuring the Recruitment and Selection policy is regularly updated in order to incorporate changes in work practices and legislation;
- Ensuring completeness of key recruitment documentation held centrally;
- Documenting and dating pre-employment (including right to work) checks for all new starters
This will ensure that the required checks are carried out promptly and appropriate records retained.

High Assurance – Counter Fraud, Payroll, Creditors and Insurance

We found that whilst procedures are in place some had not been reviewed for an extended period and were not up to date.

It is important that procedure documents are kept up to date to ensure that the correct processes are followed in the event of absence of key staff or a business continuity event.

Key Controls
Testing (2020/21)

Limited Assurance

The full summaries of these reports are provided in Appendix 5

Newark Castle

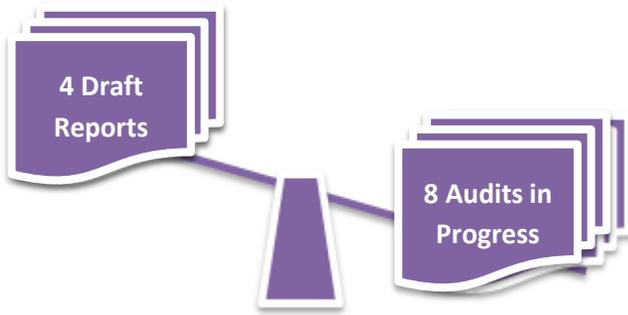
Since taking over responsibility for the management of the Castle, a number of areas of improvement have been identified by the Business Manager and her team. Whilst they are working to implement changes, progress has been slower than planned due to COVID and documents remain in draft form.

There is not a clear plan in place for the maintenance of the site or its future use, which is vital to protecting the value of the asset to the council and community. This exposes the Council to financial and reputational risks.

Formalisation of all documents with a clear and prioritised plan for the Castle, incorporating the stakeholders' views would provide a clear vision and mitigate some of the risks highlighted through our work e.g. consultation responses received through the Gatehouse project consultancy.

Ensuring that risk assessments are formalised and the cash handling processes in place comply with Financial Regulations will further reduce the risks around theft, fraud and safety.

It is also important that the Castle team work with all stakeholders including Asset Management and any other relevant teams to drive forward a plan that pulls together all areas of necessary development.



Audits reports at draft

We have 4 audits at draft report stage:

- Strategic Risk Management – Substantial assurance (indicative)
- Debt Management – Substantial assurance (indicative)
- Housing Options – Substantial assurance (indicative)
- S106 (Consultancy)

Work in Progress

We have the following audits in progress:-

- Capacity and Capability - fieldwork in progress
- Decision Making (Consultancy) – fieldwork completed
- Flood grants – Fieldwork
- Strategic Risk – Financial Resilience - Planning
- Compliance Services (Landlord) – Planning
- Policies and Procedures (integration) – fieldwork
- Care Line Services – Planning
- Test and Trace Support Payments grant

Update to 2021/22 Audit Plan

In consultation with Senior Management, we made a number of changes to the audit schedule throughout the year to reflect the risk environment and operational challenges and Appendix 6 presents the changes made.

These changes did not affect the agreed audit days which the Committee approved in February 2021.





Internal Audit's performance is measured against a range of indicators. The statistics below show our performance on key indicators year to date.

Performance on Key Indicators as at 30 June 2021

These key performance indicators are based on the 2020/21 audit plan.

Performance Indicator	Annual Target	2019/20 Actual	2020/21 Actual
Percentage of plan completed (based on revised plan)	100%	78%	92%
Percentage of recommendations agreed	100%	100%	100%
Percentage of recommendations implemented	100% or escalated	67%	71%
Timescales:			
Draft Report issued within 10 working days of completion*	100%	100%	60%
Final Report issued within 5 working days of management response*	100%	100%	77%
Draft Report issued within 3 months of fieldwork commencing*	80%	82%	53%

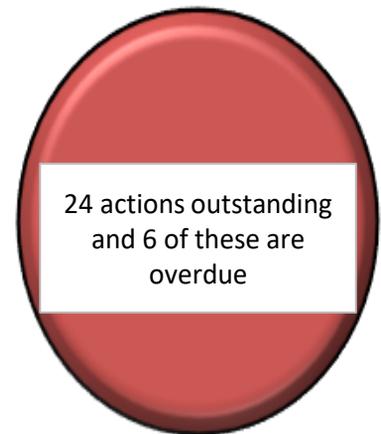
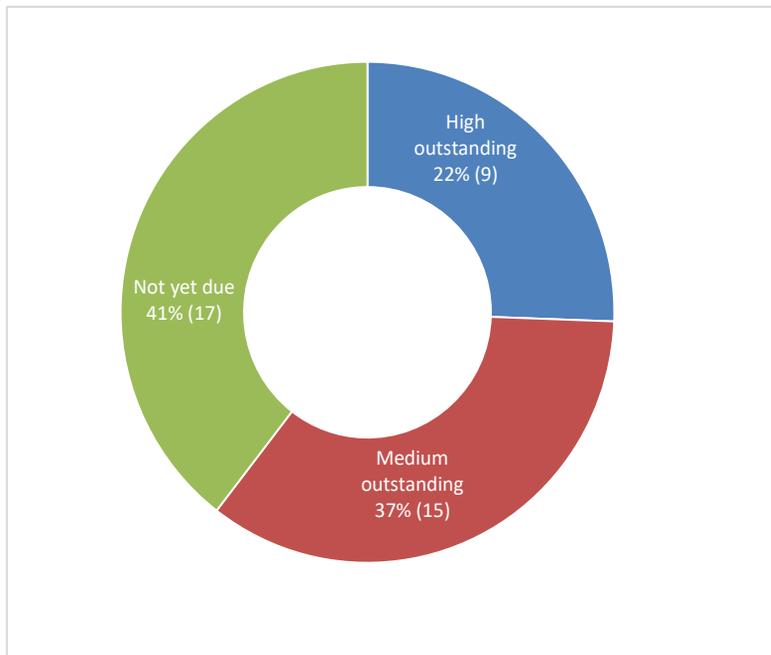
*Covid- 19 has affected some of the timeframes for both the Council and ourselves. Some of the information took longer to provide and remote working during the lockdown caused additional workloads and increased timescales. We also suffered some staffing difficulties and due to Covid-19 were unable to cover absences.

Corrective action has been taken as follows:-

- Co-sourcing arrangements are being formalised to improve our staff cover
- Recruitment has been successful and we now have a fully staffed team
- Review of our report process has been completed
- Discussions have been held at each Directorate Meetings to ensure prompt responses and engagement from their teams moving forward.

Outstanding Audit Actions for all audits at June 2021

All Actions remaining to be implemented



	75%	50%	25%	Not actioned	Total
NSH Key Controls (2019/20)	0	1	0	4	5
NSDC Key Control Testing (2019/20)	2	0	1	1	4
Community Centres	0	1	0	0	1
NSDC Programme Management (2018/19)	0	1	0	0	1
Robin Hood Hotel	0	2	0	3	5
Buttermarket	0	1	0	0	1
Emergency planning	0	2	0	0	2
NNDR	0	3	0	0	3
NSH Gas Servicing	0	0	1	1	2
Totals	2	11	2	9	24

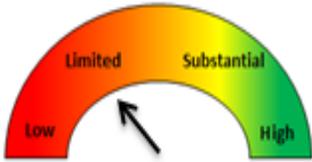
Assurance

High	<p>Our critical review or assessment on the activity gives us a high level of confidence on service delivery arrangements, management of risks, and the operation of controls and / or performance.</p> <p>The risk of the activity not achieving its objectives or outcomes is low. Controls have been evaluated as adequate, appropriate and are operating effectively.</p>
Substantial	<p>Our critical review or assessment on the activity gives us a substantial level of confidence (assurance) on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>There are some improvements needed in the application of controls to manage risks. However, the controls have been evaluated as adequate, appropriate and operating sufficiently so that the risk of the activity not achieving its objectives is medium to low.</p>
Limited	<p>Our critical review or assessment on the activity gives us a limited level of confidence on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>The controls to manage the key risks were found not always to be operating or are inadequate. Therefore, the controls evaluated are unlikely to give a reasonable level of confidence (assurance) that the risks are being managed effectively. It is unlikely that the activity will achieve its objectives.</p>
Low	<p>Our critical review or assessment on the activity identified significant concerns on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>There are either gaps in the control framework managing the key risks or the controls have been evaluated as not adequate, appropriate or are not being effectively operated. Therefore the risk of the activity not achieving its objectives is high.</p>

Ranking of Recommendations

High	Necessary due to statutory obligation, legal requirement, Council policy or significant risk of loss or damage to Council assets, information or reputation.
Medium	Could cause limited loss of assets or information or adverse publicity or embarrassment. Necessary for sound internal control and confidence in the system to exist.
Low	Current procedure is not best practice and could lead to minor inefficiencies.

Newark Castle – Limited Assurance



Our critical review or assessment on the activity gives us a limited level of confidence on service delivery arrangements, management of risks, and operation of controls and / or performance.

The controls to manage the key risks were found not always to be operating or are inadequate. Therefore, the controls evaluated are unlikely to give a reasonable level of confidence (assurance) that the risks are being managed effectively. It is unlikely that the activity will achieve its objectives.

Background and context

Newark Castle is a scheduled ancient monument and the grounds are grade two listed. Historically, the Castle was too important to be left standing in full. Currently, the monument stands as a partially destroyed structure portraying a reminder of Newark's turbulent history. Various works have been undertaken to maintain the building and projects have been set up to bring it into the limelight. Any development of the Castle offer needs to be considerate of the fact that the castle is primarily a heritage asset.

The Castle and its gardens are currently open to the public for free. There are various income streams currently in place including:-

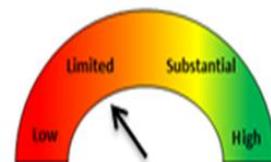
- Tours of the Castle Undercroft and Dungeons
- Weddings within the Castle grounds.

Management of the Castle has recently moved from the Parks service to Heritage improving the link with the National Civil War Museum (NCWM), which highlights some of the history behind the Castle. Prior to the move to Heritage the castle had not been audited.

Scope

The scope of the audit was to review the effectiveness of the key processes in place for income, security, maintenance and management of the Castle.

Risk	Rating (R-A-G)	Recommendations	
		High	Medium
If the management of the castle is not effective, the Council's asset is not protected.	Medium	2	3
If the risk assessments for the castle and gardens are not up to date, the Council's asset may not be protected.	Medium	1	0
Where there is a lack of engagement with stakeholders, income opportunities for the Council may not be maximised.	Low	0	1
TOTAL		3	4



Executive Summary

Our audit work for Newark Castle has given Limited Assurance. There are a number of areas where processes and procedures have not been fully considered or formalised. There is not a clear plan in place for the maintenance of the site or its future use, which is vital to protecting the value of the asset to the council and community. This exposes the Council to financial and reputational risks.

Since taking over responsibility for the management of the Castle, a number of areas of improvement have been identified by the Business Manager and her team. Whilst they are working to implement changes, progress has been slower than planned due to COVID and documents remain in draft form.

Formalisation of all documents with a clear and prioritised plan for the Castle, incorporating the stakeholders' views would provide a clear vision and mitigate some of the risks highlighted through our work e.g. consultation responses received through the Gatehouse project consultancy.

Ensuring that risk assessments are formalised and the cash handling processes in place comply with Financial Regulations will further reduce the risks around theft, fraud and safety.

Once planned changes to processes are formalised and implemented this should allow for the assurance to be improved.

It is also important that the Castle team work with all stakeholders including Asset Management and any other relevant teams to drive forward a plan that pulls together all areas of necessary development.

Areas of Good Practice

We identified some areas of good practice including:-

- Weddings are a successful income stream for the Castle and grounds. A comprehensive business plan has been developed to build this area further.
- An events calendar for the castle has been developed.
- Links with the National Civil War museum education team have begun to be used to create a programme with schools supporting the national curriculum and raising awareness of the castle within the community. After a successful pilot this has created a potential income stream.

Management Response

The Heritage and Culture Team took over the management of Newark Castle in April 2019 and inherited several issues. Immediately, many of the issues raised within the audit were identified and work begun to rectify these, the priority being health and safety and risk management. However, the process of approval through Historic England for changes to a scheduled ancient monument caused some delay. This work has now been allocated to the asset management team and is being progressed rapidly, following a request to Policy and Finance Committee for capital funding.

Delays were further compounded by the pandemic. Since June, the Castle Operations Manager and duty manager have both been furloughed under the Coronavirus Job Retention Scheme – this has enabled the Castle to mitigate against lost income in 2020/21 and meet its budgetary requirements, but has significantly limited our ability to deliver the improvements as identified and much of the work has remained at draft stage. However, as most of the risks relate to people accessing the building, operational and financial procedures, the risk is currently being mitigated by the Castle being closed – no operational activity is being undertaken and no finances being processed. A tentative re-opening is planned for May, by which time the most significant risk actions will have been fully implemented.

Having already identified the items within this audit, this report will enable the business unit to effectively prioritise and progress actions, and potential areas of weakness will be reduced through the robust assessment of the audit.

Audit	Rating	Type of audit	Status	High	Medium	Advisory	Total
Key Control Testing (NSDC 2020/21-01)	Substantial Assurance	Risk Based	Completed	0	7	1	8
Budgetary Control Management (NSDC 2020/21-02)	High Assurance	Risk Based	Completed	0	1	0	1
General Ledger/Financial Reporting (NSDC 2020/21-03)	Substantial Assurance	Risk Based	Completed	2	1	1	4
NNDR (NSDC 2020/21-04)	Substantial Assurance	Risk Based	Completed	1	1	1	3
Information Governance (NSDC 2020/21-05)	N/A	Risk Based	Cancelled	0	0	0	0
Newark Castle (NSDC 2020/21-06)	Limited Assurance	Risk Based	Completed	3	4	0	7
Deliver an HRA affordable - Housing Growth 5 year programme (NSDC 2020/21-07)	High Assurance	Risk Based	Completed	0	1	2	3
Ensuring homes are safe and decent (NSDC 2020/21-08)	N/A	Risk Based	Cancelled	0	0	0	0
Strategic Asset Management (NSDC 2020/21-09)	N/A	Risk Based	Cancelled Included in 2021/22	0	0	0	0
Climate Change Emergency (NSDC 2020/21-10)	N/A	Risk Based	Cancelled Included in 2021/22 plan	0	0	0	0
Tourism (NSDC 2020/21-11)	N/A	Risk Based	Cancelled	0	0	0	0
Contract Management General (NSDC 2020/21-12)	N/A	Risk Based	Cancelled Included in 2021/22	0	0	0	0
Enforcement (NSDC 2020/21-13)	Substantial Assurance	Risk Based	Completed	1	4	0	5

Audit	Rating	Type of audit	Status	High	Medium	Advisory	Total
Debt Management (NSDC 2020/21-14)	Substantial Assurance*	Risk Based	Completed	0	0	0	0
Stakeholder Engagement (NSDC 2020/21-15)	N/A	Risk Based	Cancelled	0	0	0	0
Apprenticeships (NSDC 2020/21-16)	Substantial Assurance	Risk Based	Completed	0	2	0	2
Robin Hood Hotel (NSDC 2020/21-17)	Substantial Assurance	Risk Based	Completed	2	2	0	4
Physical and Environmental Security (NSDC 2020/21-18 - ICT)	N/A	Risk Based	Cancelled Included in 2021/22 plan	0	0	0	0
Capability and Capacity (NSDC 2020/21-19)	Unknown	Risk Based	In progress (Fieldwork)	0	0	0	0
Follow-ups (NSDC 2020/21-20)	Substantial Assurance	Risk Based	Completed	0	0	1	1
Council Tax (NSDC 2020/21-21)	Substantial Assurance	Risk Based	Completed	0	3	0	3
Gilstrap (NSDC 2020/21-22)	N/A	Financial	Completed	0	0	0	0
Mansfield Crematorium (NSDC 2020/21-23)	N/A	Financial	Completed	0	0	0	0
Newark Cattlemarket Rent (NSDC 2020/21-24)	N/A	Financial	Completed	0	0	0	0
Combined Assurance (NSDC 2020/21-25)	N/A	Consultancy	Completed	0	0	0	0
Flood Grant (NSDC 2020/21-26)	N/A	Financial	In progress (Fieldwork)	0	0	0	0
Cyber Security Follow-up (NSDC 2020/21-27)	Substantial Assurance	Risk Based	Completed	0	1	0	1

Audit	Rating	Type of audit	Status	High	Medium	Advisory	Total
Covid Related Impacts (NSDC 2020/21-28)	Not assessed	Risk Based	Deferred to July / Aug	0	0	0	0
Covid Grants (NSDC 2020/21-29)	Substantial Assurance	Risk Based	Completed	1	1	1	3
Decision Making (NSDC 2020/21-30)	N/A	Consultancy	In progress	0	0	0	0
Buttermarket (NSDC 2019/20 -20)	Substantial Assurance	Risk Based	Completed	1	6	1	8
Strategic Risk (NSDC 2019/20-09)	Limited Assurance (Indicative)	Risk Based	Completed	7	7	3	17
Housing Options (NSDC 2019/20 - 16)	Substantial Assurance*	Risk Based	Completed	0	4	0	4
Commercialisation (NSDC 2019/20-18)	N/A	Risk Based	Not progressed	0	0	0	0
Follow-ups (NSDC -2019/20-23)	High Assurance	Risk Based	Completed	0	1	0	1
S106 (NSDC 2019/20-31)	N/A	Consultancy	Completed	7	2	0	9
NSH Key Controls (NSH 2019/20 - 06a)	Limited Assurance	Risk Based	Completed	4	6	1	11
Sub total				29	54	12	95

* Indicative Assurance

Audit	Scope of work	Planned start date	Actual start date	Progress status
Key Control Testing	Delivery of key control testing to enable Head of Internal Audit to form opinion on the Council's financial control environment	QRT 3 Oct 2021		
Housing Benefits & Council Tax Reduction	To provide assurance that Housing Benefit and Council Tax Reduction are paid accurately and promptly to eligible applicants and changes in circumstances are actioned correctly	QRT 2 Jul 2021		Planning
Value for Money	To provide assurance that the Council takes all reasonable steps to achieve Value for Money in the delivery of its services.	QRT 1 Jun 2021		Planning
Strategic Risk – Financial Resilience	To provide assurance that the risk has been appropriately rated and reviewed and that the mitigating actions listed are currently in place and working effectively.	QTR 1 May 2021		Fieldwork
Company Governance (Arkwood and Active4Today)	Review of the governance arrangements in place ensuring that there is sufficient oversight and risk management processes in place.	QRT 2 Aug 2021		
Community Lottery	Review of the governance arrangements in place for the running of the Community Lottery to ensure that they are sound protecting the Council and participants	QRT 2 Sep 2021		
Cloud Hosted Services	To review recent instances of cloud/hosted services to establish the due diligence undertaken in arriving at the selected option and security deployed through that arrangement.	QRT 4 Jan 2022		
Selima HR/Payroll	To provide assurance that the computer security controls within the Selima HR and Payroll system provide a safe and secure operating environment.	QRT 4 Jan 2022		
Physical and Environmental Security	Looking at the security of Castle House, satellite locations (Brunel Drive cited as a concern), the Beacon and locations where any off-site back-ups are stored.	QRT 3 Nov 2021		

Audit	Scope of work	Planned start Date	Actual start date	Progress status
Newark Civil War Museum and Palace Theatre	To provide independent assurance around VFM work and delivery capacity assessment being undertaken by the Council's Financial Services staff	QRT 2 Sep 2021		
Grounds Maintenance and Cleansing Service	To provide assurance over the revised arrangements in place ensuring that issues previously identified have been addressed.	QRT 3 Nov 2021		
Strategic Asset Management	To provide assurance over the arrangements in place for the operational management of the Council's land and buildings and the maintenance / improvement thereof.	QRT 3 Oct 2021		
Climate Change Emergency	Following the declaration of a climate emergency, the Council has plans in place for action to be taken by itself and within the District.	QRT 2 Aug 2021		Planning ToR agreed
Customer Services	To provide assurance on the effectiveness, impact and success of the revised arrangements following the integration of NSH staff into one Customer Services Team	QRT 3 Oct 2021		
Contract Management - General	<p>There are effective arrangements in place which ensure that all contracts are recorded, allocated to contract managers and there are processes in place which ensure that they are managed effectively.</p> <p>The risks around contracts including supply chain failure, modern slavery, data sharing etc are identified and actions taken to mitigate the identified risks.</p>	QRT 3 Oct 2021		
Health and Safety	To provide assurance that the arrangement in place for Health and Safety are effective and meet legislative requirements. To follow-up the actions made within the previous report.	QRT 2 Aug 2021		
Landlord Compliance (Compliance Services)	To ensure that those areas of compliance not previously reviewed (e.g. gas, electricity etc) are in place and that all relevant legislation is adhered to. Follow-up on those areas of compliance previously reviewed to ensure that the actions agreed have been implemented.	QRT 2 Aug 2021		

Audit	Scope of work	Planned start Date	Actual start date	Progress status
Care Line Services	To provide assurance that there are effective arrangements in place for the management and delivery of the Careline service and that all items of equipment are logged and accounted for.	QRT 1 May 2021		Planning
Workforce Planning	The Council has effective arrangements which ensure that there are sufficient skilled staff in place to enable effective service provision and such arrangements consider succession planning of key staff identifying positions which hold the greatest risk if vacant.	QRT 1 May 2021		In progress
Project Strategy	To provide assurance over the newly formed Corporate Property, Strategy and Delivery Business Unit's capacity to deliver key projects ensuring clear triage between 'Asset and Estates', 'Corporate Property, Strategy and Delivery' and 'Economic Development'.	QRT 3 Oct 2021		
Social Housing White Paper	To provide an independent review of the requirements of the Social Housing White Paper and the current and planned processes in place to identify and address any gaps identified.	QRT 3 Oct 2021		
Policies and Procedures	To provide an independent review of the integration of the key policies and procedures from Newark and Sherwood Homes into those of the Council.	QRT 1 Jun 2021		Fieldwork
Follow-ups (2021/22)	Follow-up of recommendations made for the progress reports and on a sample basis.	QRTs 2, 3 and 4 (Jul 21)		
Mansfield Crematorium	Completion of the audit of the Mansfield Crematorium accounts	QRT 1 Apr 2021		Completed
Combined Assurance	Updating the Assurance Map and completing the Combined Assurance report.	QRT 3 Oct 2021		
Gilstrap	Independent examination of the Gilstrap accounts in accordance with S145 of the Charities Act 2011.	QRT 2 Aug 2021		Planning
Test and Trace Support Payment grants	Grant certification work to ensure the grant monies have been spent appropriately.	QRT 2 Jul 2021		Planning

Deferred Audits

Audit	Rational	Change
Strategic Asset Management	Capacity - there were several vacant key posts within the Business Unit during the year.	Deferred until 2021/22
Climate Change Emergency	Further development work was being undertaken to shape the Council's ambition and direction in this area	Deferred until 2021/22
Contract Management General	Restructuring and client capacity	Deferred until 2021/22
ICT Physical and Environmental Security	Restriction to site visits due to Covid-19 pandemic	Deferred until 2021/22
Ensuring Homes are Safe and Decent	Client requested cancellation of the audit as most of the issues identified in the NSH Gas Servicing audit were still outstanding and were progressed	Agreed for some elements to be incorporated within the Landlord Compliance audit in 2021/22

Cancelled Audits

Audit	Rationale	Change
Information Governance	Replaced with more relevant audit	Cancelled and removed from the plan
Stakeholder Engagement	Replaced with more relevant audit	Cancelled and removed from the plan
Tourism	Replaced with more relevant audit	Cancelled and removed from the plan

New Audits			
Audit	Scope	Change	Approval
Covid Grants	To provide assurance over the administration and effectiveness of the processes in place for the payments of Small Business Grant Fund (SBGF) and Retail, Hospitality and Leisure Grants (RHLG).	Addition	Agreed with the SLT
Flood Grants	For the Chief Internal Auditor to give reasonable assurance that the invoices submitted by the Authority for flood grant claims fairly represent expenditure incurred under the Scheme and that these are made in accordance with the provisions of the Memorandum of Understanding. Note: Within 30 working days of the Expiry Date the Authority's chief executive or chief finance officer will submit to DEFRA an audit opinion from the Authority's chief internal auditor .	Addition	Agreed with the SLT
Cyber Security (Follow-up)	To provide assurance that the actions agreed in the previous Cyber Security audit have been satisfactorily implemented and an improved control environment now exists.	Addition	Agreed with the SLT
Covid Related Impacts	Review of the impact of Covid on the Council's processes and system providing assurance that the alternative arrangements provide effective control and whether they will have an impact on future service provision.	Addition	Agreed with the SLT
Decision making	Ascertain the decision making process and the resources required. The outcomes of the review will support the council as it continues to explore implementation of the new political governance model.	Addition	Agreed with the SLT

Amendments to Internal Audit Plan as at July 2021

Audit	Rational	Change
Digital Strategy	Replaced by a high priority ICT audit as per the Committee approval of the ICT Audit Strategy in April 2021	Removed from the plan – be considered in 2022/23 or future audit plans in line with the annual ICT Audit Strategy refresh.
Cloud Hosted Services	Identified as a high priority audit from the ICT Audit Strategy presented to the Committee in April 2021.	Added to the plan
Selima HR/Payroll	Identified as a high priority audit from the ICT Audit Strategy presented to the Committee in April 2021.	Added to the plan
Test and Trace Support Payment	The grant terms and conditions require Chief Internal Auditor to sign a declaration confirming that adequate investigations and checks have been undertaken to ensure that the grant monies have been spent appropriately	Provisionally added to the schedule subject to approval

Audit	Priority	Agreed Action	Owner	Original Due Date	Revised (Extended) Due Date	Progress and reason for extension(s)
NSDC 2019/20-12 - Community Centres (Limited Assurance)	Medium	<p>To create a service plan for the Community Centres. Outlining targets and what they want to achieve within the community.</p> <p>To produce a low level report annually, providing an overview of what has been achieved over the year. Can be used to provide information for councillors should this be requested.</p>	<p>Health Improvement & Community Relations Manager</p> <p>Director, Housing, Health and Well-being</p>	Mar 2020	<p>A&AC had previously extended the action.</p> <p>For further consideration buy A&AC</p>	<p>A wider report is required about the current position and future plans for our 4 community centres with recommendations for SLT and H&C approval .</p> <p>It is proposed that the report be submitted each year to Homes and Communities at the June meeting as an annual overview.</p> <p>The four centres / village halls are all leased and managed independently so each is responsible for its own annual plan and objective setting.</p> <p>Of the 4 sites in council ownership, 2 are currently subject to asset transfer and this process has been paused/stalled due to Covid.</p>

Audit	Priority	Agreed Action	Owner	Original Due Date	Revised (Extended) Due Date	Progress and reason for extension(s)
NSDC 2019/20-01 - Key Control Testing Substantial Assurance – Absence Management	Medium	Review and update Managing Attendance Policy and Attendance Management Toolkit . (Accepted - this was something that we were already aware of and had made a start on when the audit took place)	Business Manager HR	Oct 2020	Mar 2021 For further consideration buy A&AC	75% progressed The document has now been reviewed and consultation will take place with the Trades Unions by the end of the month with a view to implementing on 1 July 2021. Deadline missed due to sickness.
NSDC 2019/20-01 - Key Control Testing Substantial Assurance – Equality & Diversity	Medium	Inclusion of Equality implications – committee reports: 1. Approached providers to source training to all NSDC managers, any other staff who author reports or lead on projects and senior HR officers on how to undertake meaningful Equality Impact Assessments. 2. Providers have submitted course outlines which are being reviewed by the Equalities Working Group. This may temporarily on hold due to the Covid-19 situation, pending a time when face to face or remote training can be programmed in. 3. Where report authors do not comply following receipt of training this will be highlighted to their managers for action.	Business Manager HR	Sep 2020	Mar 2021 For further consideration buy A&AC	75% progressed The external trainer provided a training session to HR and Transformation staff in 2020. Equalities Working Group feedback – approach the same external trainer to devise a training event that will focus on certain key equality aspects in the Committee reports. The intention is to provide this training in autumn 2021 when it may be possible to deliver it in Castle House.

Audit	Priority	Agreed Action	Owner	Original Due Date	Revised (Extended) Due Date	Progress and reason for extension(s)
<p>NSDC 2019/20-01 - Key Control Testing</p> <p>Substantial Assurance – Equality & Diversity</p>	Medium	<p>Reporting to Committee all equality and diversity actions:</p> <p>Going forward, we will report on all actions to the Policy & Finance Committee after year end.</p>	Business Manager HR	Sep 2020	Mar 2021 For further consideration buy A&AC	<p>25% progressed</p> <p>The Equalities Strategy document was subject to a "light touch" refresh and was presented to P&F (Oct 2020). The strategy will be fully reviewed when we have the data from the 2021 census to ensure that any plans put in place meet the needs of the community.</p> <p>Members will be aware that lockdown has continued into 2021 and therefore we are not yet in a position to take a report to P&F.</p> <p>However, given the time that the Covid pandemic has gone on, and given the fact that a third wave may be likely, we will provide a holding report to P&F in September to satisfy audit requirements and keep the committee abreast of the work of the council.</p>

Audit	Priority	Agreed Action	Owner	Original Due Date	Revised (Extended) Due Date	Progress and reason for extension(s)
NSDC 2018/19-05 - Emergency Planning (Substantial Border Line Assurance)	Medium	Ensure that interim reviews are done in order to maintain awareness of the flood plan and it's dated areas	Business Manager, Public Protection & Emergency Planning & CCTV Officer	May 2020	Nov 2020 For further consideration buy A&AC	50% progressed The Environment Agency (EA) has completed the local flood response plan , local copies have been changed to reflect this , a further review of the LRF generic flood guidance document has been delayed until an unknown date owing to the Covid work pressures on the EA. The local guidance will remain current until further notice. Ongoing Covid response delaying debrief of major flood events.
NSDC 2018/19-05 - Emergency Planning (Substantial Border Line Assurance)	Medium	Refresh the flood plan in line with guidance produced by the Multi-Agency.	Business Manager, Public Protection & Emergency Planning & CCTV Officer	May 2020	Nov 2020 For further consideration buy A&AC	As above