AUDIT & ACCOUNTS COMMITTEE
29 SEPTEMBER 2021

INTERNAL AUDIT CHARTER

1.0   Purpose of Report

1.1   To inform members of the updates to the Internal Audit Charter.

2.0   Background

2.1   The Internal Audit Charter formally defines Internal Audit's purpose, authority and responsibility. It establishes Internal Audit's position with the Council and defines the scope of Internal Audit activities.

2.2   As part of the professional standards that auditors must abide by, an Internal Audit Charter must be in place in order to define those items in scope above.

2.3   Due to updates in the professional standards it is relevant at this point to update the document and seek approval from this Committee for its operational use.

2.4   The changes in this document from the previous version are minor and concentrate on recent updates on the Public Sector Internal Audit Standards.

3.0   Proposals

3.1   That the Committee review the Charter as appended at Appendix A and provide any comments to this.

4.0   Equalities Implications

4.1   There are no specific equalities implications arising from the details set out within this report. Where appropriate equalities are considered as part of the risk management process and where appropriate these are noted against the relevant risk and mitigation put in place to manage the risk along with any other risks identified.

5.0   Financial Implications

5.1   None arising from this report.

6.0   Digital Implications

6.1   None arising from this report.

7.0   RECOMMENDATION

Members of the Committee are asked to approve the Internal Audit Charter for operational use

Reason for Recommendations

To update the Committee on the Council's update of the Internal Audit Charter in order to comply with the most recent updates to the Public Sector Internal Audit Standards.
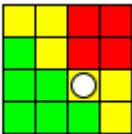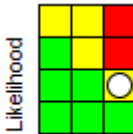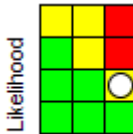
Background Papers

Nil.

For further information please contact Nick Wilson on extension 5317.

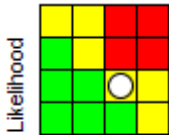**Nick Wilson**
Business Manager – Financial Services

Appendix 1
Current Strategic Risk Register

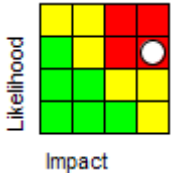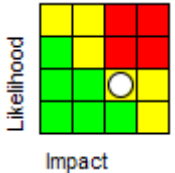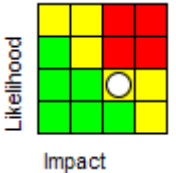| Code & Title	SR101 Financial sustainability – General Fund			Owner		Kohli, Sanjiv (SLT)	
Description	Ensuring financial sustainability of the general fund to allow the council to undertake its core functions, deliver services, meet its corporate priorities and objectives			Assigned To		Wilson, Nick (BM – FIN)	
Original Risk Matrix	Current Risk Matrix	Target Risk Matrix	Reviewed Date		Target Date	Management	
Likelihood / Impact	Likelihood / Impact	Likelihood / Impact	13–Aug–2020		31–Mar–2020	Controlled	

Controls/Actions In Place	Quarterly Capital monitoring meetings Investments approved in line with the annually agreed Treasury Management Strategy Annual refresh of Medium Term Financial Plan including management of reserves Council approved Capital programme Financial implications added to Committee reports by Financial Services Financial strategies and budget reviewed through Policy and Finance Committee annually Use of external Medium Term Financial Plan tool which assists with forecasting future Business Rates income Assigned project manager for each major project the Council is embarking on Corporate Projects Team established to identify business opportunities in service areas Director/Business Unit Manager quarterly meetings reviewing Directorate financial position Approved Commercial strategy to support objectives set out in the MTFP Approved Investment Plan to support the objectives set out in the Commercial Strategy Nottinghamshire Business Rates Pool mitigating large impacts of reductions in Business Rates. This is kept under review by Nottinghamshire S151 officers Quarterly budget monitoring report tabled at SLT and Policy and Finance Committee Annual Financial Regulations training in place Government covering 72% of income lost due to COVID19 Allocation of £1.483m in additional funding from the £3.3bn Central Government Fund Working with SDCT, DC and LGA to acquire additional income support Government returns completed identifying direst cost of COVID 19 and losses incurred Sharing of information/comparison with LRF COVID finance Cell. Also joint lobbying with the LRF cell for leisure centre income losses to be covered. Monitoring and forecasting of COVID related losses. Weekly COVID 19 Recovery Group updates to identify additional costs and allocation of costs
Vulnerability	Financial Meeting corporate objectives Service delivery Reputation

	Governance Compliance
Trigger/Event	Unforeseen rise in interest rates over forecasted levels Changes in national policy eg. fair funding review, change to government political parties Banking crisis Over reliance and poor decision making on investments Member priorities diverging from corporate priorities Increase CPI/RPI figures Failure of subsidiaries Major contract failure Failure of HRA Reduction in Business Rates 2. Poor decision making and business planning Budgeted income levels not meeting target Impact on promised funding not as expected Change in significant income/funding Failure in compliance/ governance Fraud Global Pandemic
Impact	Inability to deliver services Inability to meet corporate priorities Inability to meet legislative requirements External auditors review Government taskforce Negative media/reputation Loss of ability to make local decisions Division between members and officers Greater division between political parties Staff morale and loss of key staff Fines/ enforcement S151 officer issues S114 notice GF fails due to third party failure, i.e. HRA/subsidiaries Impact on residents and communities

Code & Title	SR102 Financial sustainability – HRA	Owner	Kohli, Sanjiv (SLT)
Description	Financial sustainability of the HRA to ensure the council is able to provide, maintain and develop its housing stock.	Assigned To	Wilson, Nick (BM – FIN)

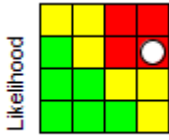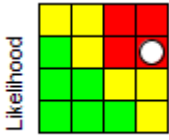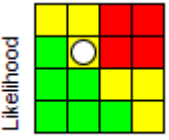| Original Risk Matrix	Current Risk Matrix	Target Risk Matrix	Reviewed Date	Target Date	Management
			13-Aug-2020	31-Mar-2020	Control Pending

Controls/Actions In Place	Controls copied from General Fund Financial Sustainablilty Risk - NW to review Quarterly Capital monitoring meetings Investments approved in line with the annually agreed Treasury Management Strategy Annual refresh of MTFP including management of reserves Council approved Capital programme Financial implications added to Committee reports by Financial Services Financial strategies and budget reviewed through Policy and Finance Committee annually Use of external MTFP tool which assists with forecasting future Business Rates income Assigned project manager for each major project the Council is embarking on Corporate Projects Team established to identify business opportunities in service areas Director/Business Unit Manager quarterly meetings reviewing Directorate financial position Approved Commercial strategy to support objectives set out in the MTFP Approved Investment Plan to support the objectives set out in the Commercial Strategy Nottinghamshire Business Rates Pool mitigating large impacts of reductions in Business Rates. This is kept under review by Nottinghamshire S151 officers Quarterly budget monitoring report tabled at SLT and Policy and Finance Committee Annual Financial Regulations training in place
Vulnerability	Financial Meeting corporate objectives Service delivery Reputation Governance Regulation and compliance
Trigger/Event	Change in national policy Increase in interest rates Increased rent arrears Increased voids Suitability of stock meeting future standards Increase or change in standards required Current stock does not meeting housing needs Workforce issues Housing management review and implementation Failing to ensure compliance with relevant legislation causing regulatory bodies to intervene Noncompliance with rent standard

	Meeting tenant priorities Ineffective strategic decision making and business planning Key HRA major projects failure Ineffective management of housing maintenance function Loss of critical income streams Fraud Failure to manage critical income streams/ invest Global Pandemic Supplier/contractor cost increases due to COVID 19 demand/supply issues
Impact	Inability to maintain stock to acceptable level including development of future stock Budget unable to address changes in national policy Reprioritisation of service delivery including resource delivery Cash reserves used to right off rent arrears and voids Substandard housing stock Loss of morale and high staff turnover Fines, notices, court cases and legal fees Moratorium of services Dissatisfaction with service delivery Greater scrutiny on service slowing decision making Poor local housing policy Project failure Contract disputes S151 officer issues S114 notice Failure to service debt Legislative requirements not met Impact on residents and tenants

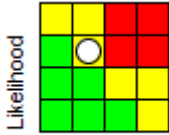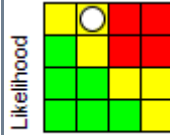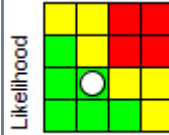| Code & Title	SR103 Safeguarding		Owner	Finch, Matthew (SLT)	
Description	Preventing failures within safeguarding arrangements to ensure protection of vulnerable persons		Assigned To	Batty, Alan (BM – PPR)	
Original Risk Matrix	Current Risk Matrix	Target Risk Matrix	Reviewed Date	Target Date	Management
			27–Jul–2020	31–Mar–2020	Controlled

Controls/Actions In Place	**LEAD OFFICER: Director of Communities & Environment – M Finch** Countywide safeguarding policy adopted – and reviewed / updated March 2018 Disciplinary policy Annual Review and Update of the Council's Safeguarding Policy Key Staff already undertaken E-Learning BMs and safeguarding specific training PREVENT introduction to safeguarding training rolled out to all staff Staff Induction training organised Member training Officer represented on the Notts Safeguarding Children's Board and Notts Safeguarding Adults Local procedures in place Corporate safeguarding group meet quarterly Safeguarding Support Officers in place Shared safeguarding email Annual completion of Section 11 return Annual review and report to SLT DBS notification process Internal Audit Notts wide network for referring information relating to PREVENT Participating in serious case reviews as required Learning from serious case reviews Annual assurance report to committee with exception reporting if require Undertake domestic homicide reviews as directed by CSP **RECENTLY COMPLETED ACTIONS FOR REVIEW** Develop and review current action plan from corporate group objectives plan Elected member training as part of the induction process following elections Update report to SLT on Child Safeguarding arrangements at county level
Vulnerability	Compliance /Legislation Reputation Financial Resourcing Partnerships Governance Vulnerable persons

Trigger/Event	Reduction of Managers means that relevant officers may not be available
	Lack of Training
	Turnover of staff resulting in loss of continuity
	Failure to identify a serious case
	Resurrection of a historic case
	Lack of resources to respond to the safeguarding process (identification through to investigation and report)
	Inappropriate response to a case
	Lack of corporate awareness and culture (members and officers)
	lack of communication / Partnership failure
	Non adherence to corporate policy, not escalating and not reporting
Impact	Foreseeable and avoidable harm is suffered by a vulnerable person
	Serious case review by Nottinghamshire safeguarding board
	Litigation (criminal and civil)
	Disruption caused by targeting by group/individual
	Possible effect on future insurance costs depending on liability and claims history
	Personal Liability
	Staff Morale
	Radicalisation
	Reputational damage with community e.g. negative media
	Resourcing any additional works
	Child exploitation, domestic abuse, radicalisation, modern day slavery
	Organisational abuse (e.g. older people in care homes)

Code & Title	SR104 Failure to deliver growth infrastructure	Owner	Lamb, Matt (SLT)
Description	Facilitating the provision of local infrastructure to ensure growth within the district to meet agreed plans & corporate priorities	Assigned To	Business Manager (BM – HSR); Hughes, Lisa (BM – PDV); Norton, Matthew (BM – PPO)

Original Risk Matrix	Current Risk Matrix	Target Risk Matrix	Reviewed Date	Target Date	Management
			20–Jul–2020		Control Pending

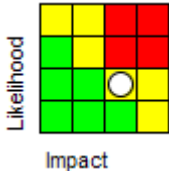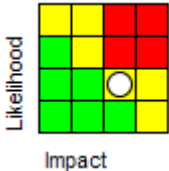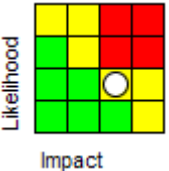| Controls/Actions In Place	Community Plan Infrastructure delivery plan CIL charging schedule and infrastructure list Development plan (Amended Core Strategy and Allocations and Development Management DPD) Local Development Framework Task Group Economic Development Committee and Full Council Planning Committee High performing planning service Active Lobbying Engagement with Developers, Stakeholders & Partners Economic Growth Strategy
Vulnerability	Inability to deliver infrastructure to support growth Political Reputation Financial Partners and stakeholders
Trigger/Event	Government change in policy Government funding withdrawn Funding reduced Funding bid failure Housing development stalls Change in leadership Poor strategic decision making Change in partnership priorities Withdrawal of Partners Failure of other related major infrastructure projects
Impact	Infrastructure not delivered Inappropriate infrastructure delivered Growth within district affected Inadequate service provision Government sanctions for inability to deliver housing growth Housing development stalls Social Inequality

	Large Employer relocating outside district
	Inward investment stalls

Code & Title	SR105 Contract/supply failure	Owner	Johnson, Deb (BM – TRC); Cook, Natalie (BM_TRC)
Description	Managing contracts with key suppliers, including NSDC wholly own companies, to ensure the continued delivery of an effective service and ensure delivery of the council's priorities and objectives.	Assigned To	Wilson, Nick (BM – FIN); Business Manager (BM – HSR); Batty, Alan (BM – PPR)

Original Risk Matrix	Current Risk Matrix	Target Risk Matrix	Reviewed Date	Target Date	Management
			28-Sep-2020	31-Mar-2020	Control Pending

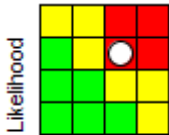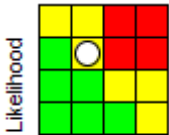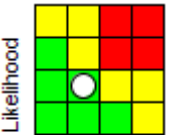| Controls/Actions In Place	CONTRACT INCEPTION & MANAGEMENT . Contract register developed using Pro-Contract and actively managed by OD team (not fully populated or embedded yet see action) . Contact renewal early warning provided by OD at quarterly meetings . Procurement advice provided through Welland procurement . Call off contract arrangements/template devised . SLA template devised for consistency . SLAs all reviewed . SLA register devised and actively managed by OD . Comprehensive audit undertaken of contracts WHOLLY OWNED COMPANIES . Management agreements regularly reviewed . Contract managers named for each . Regular contract management meetings in place . Active partnership approach embedded TRAINING . Session delivered to BMs on contract management . Session delivered to members on contract management **RECENTLY COMPLETED ACTIONS FOR REVIEW** Legal advice on developing contracet templates
Vulnerability	Service delivery Financial Compliance (Regulatory, Health & Safety, Legislative) Governance Resources Reputational

Trigger/Event	CONTRACT INCEPTION
	. Lack of understanding of requirements and different provision mechanisms available
	. Lack of commercial approach and knowledge
	. Inadequate/ambiguous specification
	. Inadequate/ambiguous control/performance measures
	. Inadequate/ambiguous exit arrangements
	. Failure to engage relevant specialists in contract design
	. Contract is not signed and saved in corporate register
	. Limited market supply
	. Over reliance on single supplier(s)
	. Lack of competence in procurement
	. Lack of resource dedicated to procurement
	. Lack of preplanning for contracts
	. Lack of appropriate exit strategies
	CONTRACT MANAGEMENT
	. No assigned contract manager
	. Contract manager is not appropriately trained/skilled
	. Contract manager resource is insufficient
	. Ineffective performance monitoring and reviews
	. Evergreen contracts in place
	. Change control/variations are not appropriately managed
	. Lack of ongoing challenge throughout the contract
	. Loss of key personnel/ key resilience
	. Relationship breakdown
	. Contractor fails to deliver/ isn't able to deliver (bankruptcy)
	WHOLLY OWNED COMPANIES
	. Management agreement not robust
	. Governance and oversight not appropriate
	. Inadequate/ambiguous governance arrangement
	. Contract management resource is insufficient/ unsuitable
	. Inadequate/ambiguous control/performance measures
	. Relationship breakdown and – objectives do not align
	. Lack of ongoing challenge throughout the contract
	. Board directors do not perform within required parameters
	. Lack of appropriate review of purpose of contract
	OTHER
	. Financial management not embedded as part of contract management process
	. Impact of Brexit (link to STRAT SR012 Brexit)
	. Business continuity/Emergency incident
	. Contracts not entered on contract register
	. Provision commences before contract is in place
	. Lack of appropriate overview of contract management
	. Pandemic

	. Link to SR106 – Workforce
Impact	**FINANCIAL IMPACT** . Additional costs to council (hidden costs, increased costs) . Best value not achieved . Fines **SERVICE DELIVERY IMPACT** . Provision is not timely/delayed . Poor/declining quality of service/provision . Increased unplanned demand . Inability to scale up/scale down provision to meet demand . Service failure . Not aligned to corporate objectives **LEGISLATIVE IMPACT** . Data loss/GDPR compromised . Council's legislative obligations not met . Providers are not able to be challenged as contract not in place when service is commenced **REPUTATIONAL IMPACT** . Customer/service user complaints increase . Member complaints increase . Negative media coverage **RESOURCE** . Contract manager resource requirement is increased (leading to impact on other duties) . Other officer resource required to manage impacts (leading to impact on other duties)

Code & Title	SR106 Workforce		Owner	White, Karen (SLT)
Description	Ensuring the council is able to recruit, maintain and retain appropriate staffing resource to ensure it is able to deliver its services and meet its corporate objectives.	Assigned To	Glass, Caroline (BM – HR & Training)	

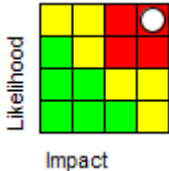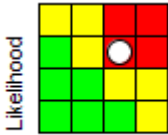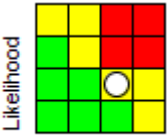| Original Risk Matrix	Current Risk Matrix	Target Risk Matrix	Reviewed Date	Target Date	Management
			18-Dec-2019	31-Mar-2020	Controlled

Controls/Actions In Place	Business Managers have individual development plans to help them manage change and risk. Senior HR Officers provide support to Business Managers to manage staffing issues, e.g. sickness absence, capability etc. Effective communication arrangements are in place. Rolling programme of review for HR policies to ensure they remain robust and fit for purpose. Selima system provides Business Managers with ownership / control over staff sickness/Holiday approval etc. and provides corporate overview HR working closely with Business Managers to support organisational change. Partnership approach with recognised trade unions to support organisational change. Counselling/therapy and welfare support services in place for staff. Visible leadership. Annual employee planning process. Training and development programme to support ongoing development of skills and competencies and BM and other staff change management such as recruitment. Review of training requirements linked to appraisal process to ensure that appropriate development is sourced and implemented for staff to include facilitation of succession management. Incentivised terms and conditions, e.g. agile and flexible working Use of Apprenticeships to support service areas and support succession management. Approved corporate priorities within the Community Plan 2019-23 Annual financial planning Project team and plan in place for housing implementation
Vulnerability	Service delivery and resources Financial Compliance Governance Reputational Competence and Capability Leadership
Trigger/Event	Key staff leaving e.g. with specific qualifications and/or experience and membership of professional body Number of staff leaving from one area/high turnover Inability to recruitment to key posts Lack of development opportunity

	Lack of team cohesion Lack of alignment with corporate values/behaviours/culture Pressure of work Demand in a specific skill set Uncompetitive in the job market place Poor industrial relations Working environment Key member of staff goes on long term sick Organisational restructure
Impact	Service delivery impact Reputational impact through poor service Reputation as an employer resulting in inability to recruit staff Loss of capacity/under resourced Loss of expertise and corporate memory High recruitment costs Additional time required to support introduction of new staff and development thereof Additional training costs Impact on morale, culture and team performance Increased levels of staff absence Loss of opportunity through loss of networks Inability to operate in accordance with statutory requirements Increase in accidents Impact of potential civil claim (e.g. employment tribunal. insurance) or criminal actions Increased demand on corporate services (e.g. HR)

Code & Title	SR107 Loss of community cohesion	Owner	Finch, Matthew (SLT)	
Description	The risk of vulnerable communities with NSDC feeling disengaged, excluded or being unable to access available services and opportunities.	Assigned To	Baker, Jill (BM – CSC); Monger, Leanne (BM – HHC); Batty, Alan (BM – PPR)	
Original Risk Matrix	Current Risk Matrix	Target Risk Matrix	Reviewed Date	Target Date	Management
			09-Dec-2019	31-Mar-2020	Control Pending

Controls/Actions In Place	Diversionary activities Days of Action Development of community database Residents surveys Diverting resources into vulnerable communities Supporting national initiatives, e.g. Hate Crime Awareness Week Community Engagement Strategy Actions within the Community Plan working around vulnerable communities Place based community relations. Cultural orientation training LMAPS (local multi agency partnership) Community Safety Partnership Work Severe weather and new winter shelter. Tolney Lane working group.
Vulnerability	Disengagement Partners and stakeholders Reputation Community leadership Vulnerable persons
Trigger/Event	Lack of understanding of communities' needs and consequent actions Not meeting expectations of communities New unforeseen incident or situation Poor judgement in making decisions Loss of key partner in delivering key service Change in partners funding/delivery priorities Unilateral decisions by partners National decision or event Internal community issue Lack of engagement with key community leaders outside of democratically elected Non representative community leader Withdrawal or reduction of services
Impact	Diversion of resources to address problems Isolation of vulnerable groups Loss of confidence in the council and other agencies

	Reputation Engaging with the wrong people Physical unrest Civil disobedience Divided communities Economic loss Hate Crime

Code & Title	SR108 Emergency response	Owner	Finch, Matthew (SLT)
Description	The Council's ability to effectively respond as a category 1 responder to a major emergency and maintain a suitable response without affecting essential service delivery.	Assigned To	Richardson, Dave (BM - ICT); Batty, Alan (BM - PPR)

Original Risk Matrix	Current Risk Matrix	Target Risk Matrix	Reviewed Date	Target Date	Management
			18-Dec-2019		Control Pending

Controls/Actions In Place	LEAD OFFICER - Matthew Finch
	Emergency Plan/ Business Continuity Emergency plans in place and securely stored on Resilience Direct Incident specific emergency plans in place. The plan is regularly reviewed and tested. Periodic review of key services by EPO e.g. Emergency Planning and Business Continuity. Management shows support for BCM through regular discussions in key meetings. Business Continuity is a regular agenda item. Management shows support to appropriately prepare, maintain and exercise a Business Continuity Plan by assigning adequate resources, people and budgeted funds. Periodic review of documents e.g. Emergency Plan, Business Continuity Plan. Business Continuity Audit Review. There is a Business Continuity Management (BCM) Policy and it is updated periodically. - Managers and staff have been made aware of BCP and BCM and their responsibilities. Managers have been consulted in developing the plan and key individuals who input is more important than others have been identified. The Business Continuity Plan identifies all critical areas of the authority There is an up to date Business Continuity Plan. **Financial** Corporate budget available to support flood alleviation schemes. Council maintaining budget figure and reserve up to Belwin amount to cover emergency incidents. Facilitation of government grant scheme in flood affected areas to enhance future resilience. **Equipment/ Resources** Flood stores in some communities with provisions to self help and therefore not be as reliant on council. Agile working arrangements. Cyber security arrangements Use and Audit of Resilience Direct as a Document Management System/repository Load key documents onto Resilience Direct Annual stock take of equipment in our Emergency Stores. exercise carried out gap analysis of the testing.

	Training & LRF Training Improved understanding of snow implications and therefore better plans in place. Memorandum of Understanding for mutual aid. Local Resilience Forum and annual risk assessment. Produced BCP BCM training timetable Offering of Health & Wellbeing advice e.g. offering flu vaccinations Partners/Public Work with EA (Environment Agency) on flood resilience work has mitigated/reduced the risk in some areas. Improved monitoring systems by EA for earlier warning for floods. Raised awareness of flood risk, therefore increased understanding self help and increasing resilience. Develop emergency response management tool i.e. Meritech (AB) Deliver One off workshop for BMs on BCP Implement the training of BCP & BCM and general training for all staff – Production of induction training package **RECENTLY COMPLETED ACTIONS FOR REVIEW** Identify users of the emergency response managament tool (Meritech) and delivery. Meritech emergency planning module system training and testing Provide initial report to SLT re: Business Impact Analysis carried out Report to SLT re updated emergency plan to be SLT to decide how to deal with allowing JDs to be amended (including their own) to include an explicit responsibility for BC Promotion to LRF of 20 ways in 30 days in the Notts area Testing to take place of the Control Room at Castle House
Vulnerability	Resourcing Reputation Expectations Partners Financial Suitability of response Service delivery
Trigger/Event	Extreme weather event of greater frequency and severity. Unpredictable district/regional/national emergency events. Council headquarters or key facilities are damaged. Pandemic Flu Cyber Attack Counter terrorist Attack Partners not playing part/full role Failure of resources / suppliers / supply chain Availability and resilience of key personnel A "no deal" Brexit (further information see Strategic Risk Brexit) Insufficient time given to BMs/SLT to deliver appropriately considered BCPs
Impact	Drain on services and resources to provide an immediate and appropriate response. Managing and resourcing the longer term recovery process

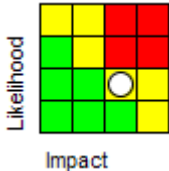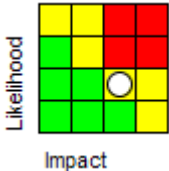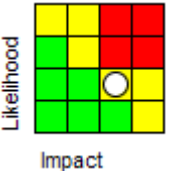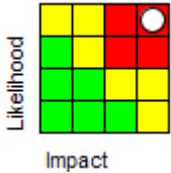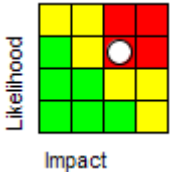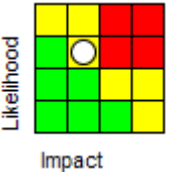|	Business Continuity issues at Castle House and other council facilities – centres could be flooded, staff unable to get into work – loss of resources i.e. vehicles, premises. Reputational damage due to perceived failure to respond to emergency or maintain services Reputational damage to the District and attraction to place to live/work Failure to maintain critical services day to day Manage financial requirements of the emergency event Financial issues of being unable to claim back funding spent on assisting communities Financial implication of up front costs required during an emergency. Less likely to receive long term support to obtain government flood grants compared with high density areas due to cost benefit ratio. Effect on communities (commercial or domestic) Loss of key/ critical systems Inability to support critical projects and projects at a critical stage

Code & Title	SR109 Corporate governance	Owner	White, Karen (SLT)
Description	Risk of failure in systems of governance within the council, council owned/influenced organisations and partnerships or other collaborative arrangements.	Assigned To	Hill, Nigel (BM – EDS); Wilson, Nick (BM – FIN)

Original Risk Matrix	Current Risk Matrix	Target Risk Matrix	Reviewed Date	Target Date	Management
			27-Dec-2019		Controlled

Controls/Actions In Place	**LEAD OFFICER – Karen White** Code of corporate governance created, maintained and monitored in accordance with CIPFA guidance. . Corporate Governance self-assessment against the code of Corporate Governance undertaken periodically. . Periodic review of governance by 3 statutory officers. Annual review of Constitution which includes fit for purpose and up to date: . Officer code of conduct. . Officer registers of interests – Related third party transactions. . Section 151 officer/Monitoring officer/Head of Paid Service. . Gifts and hospitality – policy and register place. . Council Financial regulations and procedures, . Contract procedure rules . Whistle blowing policy . Anti-fraud and corruptions strategy Annual governance statement reviewed annually and reported to Audit and Accounts Committee. Annual Governance Statement goes to Feb meeting of Committee Creation of annual combined assurance report in conjunction with SLT and BMs. Internal Audit work including risk based Audit Plan. Effective use of External Auditor. Scrutiny by Audit and Accounts Committee Staff and member training in place . Training on governance issues including anti-fraud and financial regulations. . Counter fraud training delivered. . Member induction at the start of each new Council cycle. Complaints: . Localised standards framework and effective arrangements for dealing with complaints overseen by Policy and Finance Committee.

	. Internal complaints procedure. Fraud . Annual internal review of the Fraud Risk register to carry out proactive work, check on internal controls and is reported to members . Participation with National Fraud Initiative process . Options appraisal for counter fraud and implementation of preferred option. Appropriate insurance cover including Fidelity Guarantee. Oversight of Active4Today, Newark and Sherwood Homes, Arkwood and East Midlands Building Control. . Appropriate monitoring of performance of the third party or alternative service delivery methods. HR policies in place Recruitment process controls, e.g. References, Immigration, DBS. Horizon scanning at Business Manager briefings and effective communication between SLT and business managers. Measures in place to ensure IR35 compliance Schedules review of Corporate Governance (Q4 19/20 Governance review ongoing with support from LGA
Vulnerability	Service delivery Governance Fraud Poor decision making/leadership Reputation Financial Legal compliance Partners/stakeholders
Trigger/Event	Failure to communicate, define, review and uphold governance standards policies to ensure fitness for purpose. Failure of staff and councillors to understand their governance roles and responsibilities. Failure to observe good governance. Failure to adequately manage risk or monitor performance. Failure in Policy adherence (All policies). Malicious event eg. Fraud, money laundering, etc. Reduction in capacity and loss of key personnel and resources Failure to adequately oversee governance standards of partnerships and other entities that the Council is involved in. Failure of governance in partnership organisations
Impact	Financial resource loss. Service delivery issues. Criminal or civil liability. Government or peer intervention.

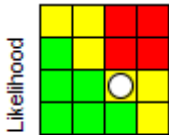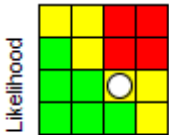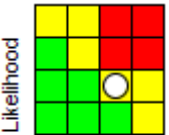|	
	Reputational risk to the Council. Negative media coverage. Policies could be open to challenge. Excessive legal costs incurred. Poor or inadequate decision making. Poor staff morale. High staff turnover. Regulator finding fault eg. Internal Audit, External Audit, Ombudsman. Community disengagement. Capacity redirected to address failures. Loss of opportunity and ability to meet corporate priorities Inappropriate use Fraud and corrupt practice identified. Fraud and corruption practices not identified or dealt with leading to an incident of fraud and corruption. Failure of partnerships

Code & Title	SR110 Data management and security		Owner		Kohli, Sanjiv (SLT)	
Description	Deliberate or unintentional loss/disclosure of personal, sensitive, confidential, business critical information or breach of information governance legislation		Assigned To		Baker, Jill (BM – CSC); Wilson, Nick (BM – FIN); Richardson, Dave (BM – ICT)	
Original Risk Matrix	Current Risk Matrix	Target Risk Matrix	Reviewed Date	Target Date	Management	
			24–Aug–2020	31–Mar–2020	Control Pending	

Controls/Actions In Place	**LEAD OFFICER – Sanjiv Kohli**
	Training/ Guidance/ Compliance/ Agreements Data protection training including a section on information security and targeted training ongoing for staff located elsewhere and forms part of the induction process. Guidance and training available for elected members. 3 GDPR sessions provided for newly elected members. Guidance on security breach procedures for Business Managers as Information Asset Owners. Ongoing training for all staff taking payments in line with PCI-DSS requirements. Relevant training for ICT staff. Weekly review of ICO guidance. Compliance with the governments security arrangements. PSN compliant data & internet connections implemented. Compliance with new Cabinet Office email standards achieved. Information governance check on furniture that is being disposed of. Information E Training completed by all staff. Cyber Security now standing agenda item on monthly business unit management meetings. Annual review of Information Asset Register. Annual mandatory GDPR and cyber/phising online training for all staff and councillors. Governance arrangements established through CIGG with monthly review. ICT/Equipment External Audit on ICT security annually. Encryption for mobile devices. VASCO tokens and Google Authenticator. Quarterly ICT security checks internally. Penetration test annually for external company – monthly scans of servers for weaknesses, monthly server updates and monthly scans of Microsoft Office and Windows. Perimeter software – eg. mailmarshall & webmarshall. Hardening test on new virtual servers. Documents scanned reducing the need for paper. Secure server room. East Midlands WARP membership – alerting networking facility regarding any breaches.

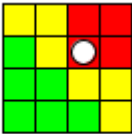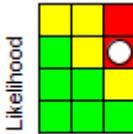|	Monthly updates of Adobe products.
	Program in place to ensure the continual maintenance & upgrade of the ICT environment.
	Secure portal for Members to access the Extranet.
	Airwatch MDM (Mobile Device Management) implementation for mobile devices.
	DMark, DKim SPF and TLS secure email authentication software.
	Cryptshare for encrypting secure emails and large files for email.
	Report & record all cyber-attacks/attempts and escalate to CMT where appropriate Users own devices cannot connect to network
	'Consent' tick box on appropriate forms.
	<u>Policies/Audit</u>
	Information management framework incorporating Security Policy and Security Breach Policy.
	Annual SIRO audit.
	Retention of document policy.
	Data Protection policy.
	Confidential waste handling procedure.
	Review of policies and procedures to ensure compliance with latest Payment Card Industry- Data Security Standard (PCI-DSS)
	Data security part of consideration as part of future strategic projects.
	All aspects of GDPR action plan completed including compulsory e-learning for all staff.
	SIRO audit completed confirming processes in place for identifying risks associated with any new project/process.
	CIGG meeting every two months to review any new risks.
	Periodic PCI/DSS compliance checks – see Corporate risk for further details.
	Data Privacy Impact Assessment.
	<u>Partners/ Stakeholders/ Staff</u>
	Non-disclosure agreements in place for third party access.
	Use of data processing and agreements with partners.
	CIO/SIRO/DPO appointed.
	CIGG in place.
	Use of licensed Confidential waste handler.
	Letters sent to all third parties who process personal data on behalf of NSDC advising of additional responsibilities under GDPR and data processing agreements in place.
	Actions arising from report to SLT on third party users implemented.
	RECENTLY COMPLETED ACTIONS FOR REVIEW
	Developing Comms strategy to deal with a data breach
Vulnerability	Loss of vulnerable, personal, sensitive valuable data
	Legal compliance
	Reputation
	Financial
	Partners/stakeholders
	Disruption of service from a cyber attack
Trigger/Event	Personal, confidential or corporately sensitive/business critical information disclosed unintentionally or through error of judgement when responding to requests for information, data breach – intentional (malicious) or unintentional.
	Theft or loss of equipment/papers/data belonging to the council, partners or third party companies.

	Cyber attack: (either targeted such as denial of service or unintentional access to link on another website.
	Agile Working ie. mobile/remote/home working/home printing/disposal of printed data/ /Outreach posts.
	Reducing resources with less capacity for processing data.
	Collaborative working, sharing, outsourcing and partnership working (including external printing and hybrid mail)/involvement in other peoples' data Use of BYOD (Bring your own device).
	Government integration agenda e.g. Increased working between public bodies Use of suppliers/third parties, etc.
	Decommissioning of property.
	Partnership working and sharing new service locations/data sharing issues.
	Partner's/contractor's/host's poor data management and information security leading to data breach/loss.
	Devolution/change in service delivery model.
	Loss of key resources.
	Third party access to IT systems.
	New and inexperienced staff/elected members with access to data.
	Termination of PSN/GCSX standards by the Cabinet Office limiting options for securely sharing with some Public Sector organisations.
	Failure to comply with relevant standards and legislation including PCI-DSS/Cyber Essentials/NCSC best practice/PSN.
	Unsupported software/unforseen loss of support
	Housing management transfer
	Adoption of unsupported/dated systems from third parties
Impact	Individual loss/damage to an individual where the Council inappropriately released their personal data eg. civil claims.
	Damage to reputation of the Council/trust by the public.
	Breach of Access to Information legislation bringing about financial/legal damage – imposed on the Council by the Information Commissioner and other Statutory Bodies.
	Financial/ resource impact of Information Commissioner investigation.
	Disciplinary action taken against a member of staff and elected members if a breach is found to be deliberate/malicious.
	Operational and resource issues eg. service interruption – where focus has to be taken away from service delivery to dealing with the breach.
	Individual loss/damage to an individual where the Council inappropriately released their personal data eg. civil claims.
	Drain on resources to process and enable conformity in legislation.
	Greater demand on existing resource
	Impact on Agile working – lack of ability to work remotely and available physical resource
	Cyber attack leading to system downtime/damage/loss of data (Ransom Ware) and financial loss/ resource drain
	Loss of provision to customers and partners eg. NSH, Active4Today, DWP, CCTV (under current arrangements) leading to disputes over SLAs and contracts and potential loss of income, e.g. partner rent for Castle House.
	Negative media coverage
	Less control over data as service delivery models become more complex
	Loss of partner data where the council is the data processor – subsequent impact on partner's reputation.
	Loss of confidence with the Council

	Loss of confidence with partners and stakeholders Withdrawal of service from partners and stakeholder Increased demand on existing services

Code & Title	SR111 Arkwood Development	Owner	White, Karen (SLT)
Description	Managing performance and the relationship between the Council and Arkwood Developments in accordance with the governance agreement.	Assigned To	Wilson, Nick (BM – FIN)

Original Risk Matrix	Current Risk Matrix	Target Risk Matrix	Reviewed Date	Target Date	Management
			08–Oct–2019		Controlled

Controls/Actions In Place	LEAD OFFICER – Karen. Support: N Cook Shareholder Committee established and membership agreed Shareholder meetings scheduled Shareholder Committee Members training session completed on 17/1/18 Company's Articles and shareholder agreement in place Shareholder Committee approve business plan for company and business case for each development site Monthly officer contract meetings between Arkwood and council Internal Audit Report giving substantial assurance Inclusion of risk register by company with business cases **RECENTLY COMPLETED ACTIONS FOR REVIEW** SLAs for HR, Finance, ICT, Information Governance and Administration to be agreed between company and council by end of financial year 19/20.
Vulnerability	Financial Reputation Service Delivery Conflict of interest
Trigger/Event	<u>Financial</u> Loan repayments from the company are not made Company failure to deliver approved Business Plan Company failure to pay monies to the Council e.g. land transactions costs, SLA costs Company failure to pay monies in a timely way Company failure to manage cash flow <u>Reputational</u> Poor leadership Company insolvency Poor quality development leading to customer dissatisfaction Secretary of State call in planning decisions made by council on company developments <u>Compliance Issues</u> Operational failure leading to non compliance/legislative failure

	Compliance failure by the Company (ie. legislative & policy) Lack of Delivery Failure to adhere to business plan Lack of awareness of company purpose Company failure to secure planning consent on developments Market & External Factors Brexit – market volatility Downturn in economy Failure to understand and develop to meet market needs Changes in local and national policy & legislation e.g. restraints in legislation from Council Lack of skills to deliver developments to quality and on time (e.g. skills shortage) Market and external construction prices leading to increased cost of build Resource Demand Insufficient resourcing (e.g. internal capacity to deliver) Over resourcing Incorrect or over demanding SLA's Failure to deliver Council objectives due to increased amount of time spent by board of directors on company rather than substantive role Relationship with Company Lack of communication between Company and Council Lack of regular updates/ assurance from company Conflict of interest – failure of the council to demonstrate the company's independence
Impact	Financial Return on investment to the council not realised Lack of sustainability and viability of company Council not achieving aims & objectives as set out in Council's Commercial strategy Resource Demand Substantive council roles of directors compromised Council resource overstretched – poor quality service to council or company Reputational Adverse impact on reputation Inability to contribute to local plan housing numbers Impact on reputation with key partners and stakeholders Market & External Factors Lack of housing that meets market demand Partners/Relationships Relationship breakdown between council and company

Code & Title	SR112 Brexit	Owner	Finch, Matthew (SLT)
Description	Effects of BREXIT on the council's ability to deliver services and to the sustainability of its communities.	Assigned To	Churchill, Robert (BM – AMP); Baker, Jill (BM – CSC); Wilson, Nick (BM – FIN); Monger, Leanne (BM – HHC); Business Manager (BM – HSR); Richardson, Dave (BM – ICT); Norton, Matthew (BM – PPO); Batty, Alan (BM – PPR); Ward, Phil (BM – R&B); ~~Marshall, Kate 1 Admin~~; ~~Piper, Tracey 1 Admin~~

Original Risk Matrix	Current Risk Matrix	Target Risk Matrix	Reviewed Date	Target Date	Management
Likelihood / Impact	Likelihood / Impact	Likelihood / Impact	18-Dec-2019		Controlled

Controls/Actions In Place	**LEAD OFFICER – M Finch** Horizon scanning – look at the key messages relating to Brexit from Central government. Quarterly update reviews with BM's to update a register of risks and associated mitigating actions to be fed into the strategic risk and maintained in risk log. Update Reports to SLT. Plans in place to manage impact on the Lorry Park Market trend analysis report developed to highlight differences between East and West regions of NSDC and reporting to Growth and Prosperity meetings. Communications plan informing media responses Responsive risk review in light of central government information. Full participation and engagement with the Local Resilience Forum. Full participation and engagement with LRF Monitor Risk log quarterly with BM's Responsive risk review in light of central government info Develop market trend analysis report to highlight differences between East and West regions of NSDC (quarterly). Agree key indices to report to Growth & Prosperity meetings to inform a joined up strategic approach around "Prosperity") Updates to be provided by CMT following attendance at conferences (e.g. Solace) regarding implications of Brexit (CMT) Working more closely with NFU to understand implications of Brexit, e.g staffing/funding (JRS) SLT have discussed details and considered wider risks/mitigation Communication updates from Food Standards Agency Evaluation of data undertaken and no data shared across borders.
Vulnerability	Financial Reputation Resource demand Service delivery Communities
Trigger/Event	Economic downturn

	Cost of goods and services increase Lack of investment from businesses in the lead up to Brexit due to uncertainty in the economy Weak currency due to 'drawn out negotiations of Brexit' Regulatory impact New legislation/guidance that will be enforced as part of Brexit will cause major delays Financial Implications Lack of funding for initiatives which would previously have qualified for EU funding Uncertainty Brexit negotiations resulting in uncertainty (e.g. No Deal) Delaying Article 50 leading to uncertainty Leadership contest causing further delay on outcome of Brexit Reputational Lack of planning Resource Demand Lack of resource (financial and staffing) to maintain services resulting from Brexit Service Delivery Lack of awareness of the implications of any Brexit scenario (not sharing crucial data internally) Lack of business continuity planning for any Brexit scenario Delays in announcements on wider Domestic policies such as social care, public transport, homelessness, waste strategy due to Brexit negotiations still ongoing Cyber attack Protests and other actions planned Further electoral activity
Impact	Economic Development Cost of living – food prices higher than the price of inflation. Businesses that are offering offers are not making profits. House prices increases as cost of materials increase making housing unaffordable Increase in zero hours contracts Uncertainty Civil Unrest Long extension to negotiations may cause local unrest Financial Implications Certain initiatives funded by the EU will no longer continue Impact on farming/agriculture (Funding) Impact on HRA development programme Increased use of temporary accommodation and possible legal action to remove households who may no longer qualify for access to the service Additional training required to ensure staff are up to speed with any legal changes following Brexit (e.g. changes in eligibility criteria for housing)

	Service Delivery Increase in homelessness Increase in those relying on universal credit Legislative changes impact heavily on how the waste management service is delivered Blocades may result in lorry park experiencing more demand Potential for fuel shortages Increase in negative decisions and households no longer eligible for services **Resource Demand** Lack of workforce in specific roles such as social care, service industry Skills shortage in key industries Multi-tier eligibility assessments required of individuals from EEA depending on status and arrival date in UK Increase in referrals to county council for households no longer eligible for public services Re-assessment of allocations scheme and eligibility criteria **Impact on residents** Potential for unrest and increase in hate crime Demographic changes due to shifts in immigration and migration **Democratic implications** Lack of engagement