



Internal Audit

Draft

## Newark & Sherwood District Council

### Summary Internal Controls Assurance (SICA) Report

2023/24

January 2024

# Summary Internal Controls Assurance

## Introduction

1. This summary controls assurance report provides the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Newark and Sherwood District Council as at 13/02/2024.

## Future of Internal Audit (IA)- Digital drivers

### Use of Data analytics by TIAA

2. TIAA is always adopting new ways of working and methodologies including innovative approaches for delivering internal audits. This is part of our continuous improvement programme which facilitates improvements in efficiency, effectiveness, and the quality of the work we deliver. We currently use data analytics as part of our work in relevant areas to test against full data sets, spot hidden risks, to target our testing and to provide 'proof in total' assurance; this adds credibility and value to the reports we produce. Data Analytics helps us to analyse large volumes of data to identify trends, patterns, and anomalies that may indicate potential risks or opportunities for improvement.

### How will Artificial Intelligence (AI) enhance the delivery Internal Audit of the future?

3. We believe that the way internal audits are delivered will change significantly in the next 3 to 5 years through the use of AI, through the use of auditing tools which contribute towards a process of continuous audit assurance, a wider use of predictive analytics to allow auditors to provide reports that are far more forward looking, and robotic process automation which will help remove much of the manual data collection work, thereby allowing Internal Audit more time to provide value-added analysis. Another branch of AI, Natural Language Processing (NLP), has the potential of also enabling auditors to analyse text in a large number of documents.
4. In addition to the use of Data Analytics, TIAA is actively exploring, as part of our vision for the future, the use of AI, automation and other digital tools to streamline the audit process, inform planning, reduce manual effort, and enhance the quality of audit results. Automated data collection and analysis will help reduce the time required to complete audits and improve the accuracy and consistency of audit results. Innovative ways of using and integrating artificial Intelligence in the delivery of audits in response to the exponential growth in data, and how it is analysed and used in the context of Internal Audit, is part of TIAA's innovation strategy. We will also as part of our strategy be investigating more opportunities to not only use AI, but also to develop the capabilities to audit AI and the associated ethical considerations.

## Audits completed since the last SICA report to the Audit Committee

5. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

*Audits completed since previous SICA report*

| Review                              | Evaluation           | Key Dates    |                    |              | Number of Recommendations |   |   |     |
|-------------------------------------|----------------------|--------------|--------------------|--------------|---------------------------|---|---|-----|
|                                     |                      | Draft issued | Responses Received | Final issued | 1                         | 2 | 3 | OEM |
| Grant Fund Spend and administration | Reasonable Assurance | 7/9/2023     | 25/1/2024          | 29/1/2024    | -                         | 1 | 3 | -   |

|  |                      |           |          |           |   |   |   |   |
|--|----------------------|-----------|----------|-----------|---|---|---|---|
| Financial resilience                         | Reasonable Assurance | 1/2/2024  | 6/2/2024 | 6/2/2024  | - | 1 | - | - |
| Gilstrap                                     | n/a                  | n/a       | n/a      | n/a       |   |   |   |   |
| Contractual relationship with active 4 Today | Reasonable Assurance | 16/1/2024 | 8/2/2024 | 13/2/2024 |   | 2 | 5 | 2 |

6. The Executive Summaries and the Management Action Plans for each of the finalised reviews are included at Appendix A. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

#### Progress against the 2023/24 Annual Plan

7. Our progress against the Annual Plan for 2023/24 is set out in Appendix B.

#### Progress in actioning priority 1 & 2 recommendations

8. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. Progress in actioning priority 1 and 2 audits will be reviewed at the next audit committee.

#### 9. Frauds/Irregularities

10. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

#### Responsibility/Disclaimer

11. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

## Executive Summaries and Management Action Plans

The following Executive Summaries and Management Action Plans are included in this Appendix. Full copies of the reports are available to the Audit Committee on request. Where a review has a 'Limited' or 'No' Assurance assessment the full report has been presented to the Audit Committee and therefore is not included in this Appendix.

| Review                                       | Evaluation |
|--|------------|
| Grant Fund Spend and administration          | Reasonable |
| Financial resilience                         | Reasonable |
| Contractual relationship with active 4 Today | Reasonable |
| Gilstrap                                     | n/a        |

## Executive Summary – Assurance Review of Grant funding – Spend and Administration

### OVERALL ASSESSMENT



### ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Provide assurance that the Governance structure is in place for effective oversight, reporting and decision making (including roles and responsibilities).

### SCOPE

The aim of the review was to gain assurance that the grants are administered in compliance with grant terms and conditions e.g. Towns fund, Levelling up fund.

### KEY STRATEGIC FINDINGS



Information provided to Council in the Private Pack does not reflect the full detailed information.



Conflict of interest declarations could not be evidenced as regularly reviewed and up to date.



Relevant and up to date fraud risk assessments for all projects except the YMCA could not be evidenced.



Internal Audit was unable to locate key documentation mandated by the department of Levelling up.

### GOOD PRACTICE IDENTIFIED



The Council has created a central database where all information relating to the Towns Fund and Levelling Up programme is stored.



The Council maintains on its database a central comprehensive library of all records relating to the Towns investment Fund Levelling up application for the new Southern Link Road upgrade.

### ACTION POINTS

| Urgent | Important | Routine | Operational |
|--------|-----------|---------|-------------|
| 0      | 1         | 3       | 0           |

## Assurance – Key Findings and Management Action Plan (MAP)

| Rec. | Risk Area | Finding   | Recommendation  | Priority | Management Comments   | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title)                      |
|------|-----------|---|---|----------|---|-------------------------------------|--|
| 1    | Directed  | The Private Document Pack where the Castle Gate House was put on the Agenda Item meeting on May 2022, re £3 million of funding as per the Outline Business Case (OBC). Minutes indicated a reduction of £2.5million for the year to match spend profile as agreed with Levelling up Fund. The report by the external consultant QUOD indicated that the Towns Fund alone option is not viable unless the scheme receives funding which according to the 2 sets of minutes the Council was able to secure. The report concluded there was a risk that the project might not go ahead if the NLHF bid was unsuccessful, though Newark and Sherwood District Council had sufficient funds allocated there was a £19k shortfall that needed to be mitigated, this shortfall was not in minutes as considered by the council members. <i>There was no evidence to show that the QUOD report was presented to Council. The QUOD report also referred BCR (Business Cost ratio) option 2 being recommended. In the documentation provided there was no indication as to what Option 2 represented.</i> | Information provided to Council in the Private Pack should reflect full information so that action can be taken to ensure and record the financial viability of the projects including information regarding any options. | 2        | <i>The Quod report was presented to the 151 Officer with delegated authority to approve Town funds Business cases. It was assessed and reviewed that the £19k variance in the Castle project was an acceptable risk at a 0.35% variance before procurement was enacted. A series of the recommendations outlined in the Quod Assurance Report in May 2022 have been undertaken. Since the OBC stated that there was a £19k shortfall, the maturity and costs of the project has been developed. Including a greater shortfall, looking to be mitigated with the HLF associated bid, which is the normal route. No grant monies will be committed until certainty on costs and funding as will be crystalised in the FBC. The mitigations undertaken post the OBC include;<br/>Completing a revised cost plan to RIBA4.<br/>Undertaking a value engineering exercise.<br/>Reviewing the request to Heritage Lottery Fund for an increase in grant request at phase 2 of the bid process.</i> | 2024                                | Business Manager (Economic Growth & Visitor Economy) |

### PRIORITY GRADINGS

|   |        |  |   |           |  |   |         |  |
|---|--------|--|---|-----------|--|---|---------|--|
| 1 | URGENT | Fundamental control issue on which action should be taken immediately. | 2 | IMPORTANT | Control issue on which action should be taken at the earliest opportunity. | 3 | ROUTINE | Control issue on which action should be taken. |
|---|--------|--|---|-----------|--|---|---------|--|

| Rec. | Risk Area | Finding   | Recommendation  | Priority | Management Comments  | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title)                      |
|------|-----------|---|---|----------|--|-------------------------------------|--|
| 2    | Directed  | <p>As part of the reporting process the Council has to submit to the Department of Levelling a completed copy of the Department's Excel Spreadsheet, the objective of which is to capture the programme and project-level data for the selected reporting period. This folder included minutes of Towns Meetings that were attended by members of other local councils and Central Government where matters such as Project Adjust Requests Assurance and Towns Fund Performance reporting are discussed.</p> <p>Internal Audit was able to access a presentation that was prepared by the Department of Levelling Up Housing and Communities which listed as part of its Assurance deep dive procedure.</p> <p>The Audit was unable to evidence the following documents:</p> <ol style="list-style-type: none"> <li>1) Updated Gifts &amp; Hospitality Register for Town Deals including Board Members.</li> <li>2) Updated Fraud Risk Assessment covering the relevant project/fund.</li> <li>3) Updated copy of fund/project Procurement Register.</li> <li>4) Corporate Fund Policy.</li> </ol> | <p>The Department for Levelling Up Housing and Communities in its presentation regarding assurance and deep dive checklist specified that there was no requirement for policies or documents to be created specifically for the fund. However, as a mark of good practice it is recommended that the following documentation be included in the folder 000 (Council central Database).</p> <ol style="list-style-type: none"> <li>1) Copy of an updated Gifts &amp; Hospitality Register for Town Deals including Board Members.</li> <li>2) Copy of an updated Fraud Risk Assessment covering the relevant project/fund.</li> <li>3) Copy of updated of fund/project Procurement Register.</li> <li>4) Copy of Corporate Fund Policy.</li> </ol> | 3        | <p>Where the Council is project sponsor and delivering the project we will undertake necessary due diligence on the contractor(s) involved. This includes credit checks, Fraud checks (linked to corporate strategy) and pre-checks linked to any procurement frameworks used.</p> <p>Further the Council will often utilise public sector frameworks available, whereby assurance has been provided on the commissioning and procurement of partners by the host organisation of the framework, therefore our reliance on their compliance processes would be deemed sufficient.</p> <p>The payment for capital projects within Town Fund, irrespective of who the project sponsor is, are overseen and approved by three officers before payment is made (including evidence of defrayal), including the Business Manager, Capital Accountant and Town Fund Programme Manager.</p> <p>Where the project sponsor is outside of the Council all checks are concluded prior to the GRA and any monies being released.</p> | January 2024                        | Business Manager (Economic Growth & Visitor Economy) |

PRIORITY GRADINGS

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|---|--------|--|---|-----------|--|---|---------|--|

| Rec. | Risk Area | Finding  | Recommendation   | Priority | Management Comments  | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title)                                 |
|------|-----------|--|--|----------|--|-------------------------------------|---|
| 3    | Directed  | It is a requirement from the Department for Levelling Up, Housing & Communities to have updated its Fraud Risk assessment covering relevant project/funding at the time of the audit there was no evidence available that this was being carried out except for YMCA.                                    | As it is a requirement as part of the funding agreement with the Department for Levelling Up Housing and Communities to provide an updated Fraud Risk Assessment then such documentation should be maintained and readily available. | 3        | <i>This recommendation is accepted.</i>  | <i>January 2024</i>                 | <i>Business Manager (Economic Growth &amp; Visitor Economy)</i> |
| 4    | Directed  | It was noted as part of the monitoring and governance process that council meetings relating to the projects were minuted including code of conduct and declarations of interest. However, given the timespan of some of these projects there was no evidence of declarations of interest being updated. | At each meeting as part of the standing agenda item attendees should be required to confirm that they do not have a conflict of interests and periodically update the conflict of interests register.                                | 3        | <i>At all Town Fund Board Meetings members are asked to declare any conflict of interest and this is noted in the minutes if stated. Further this is on agendas for meetings as an item.</i><br><br><i>Members of the Board complete a register of interest form on starting their role as a Board Member. This is reviewed by the TFPM annually in line with the Assurance Framework.</i> | <i>January 2024</i>                 | <i>Business Manager (Economic Growth &amp; Visitor Economy)</i> |

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.



## Executive Summary – Financial Resilience

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### OVERALL ASSESSMENT



### ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

SR301 Financial Sustainability - General Fund  
Ensuring financial stability of the general fund to allow the council to undertake its core functions, deliver services, and meet its corporate priorities and objectives.

### SCOPE

Confirm the realism and likely delivery success of identified saving within the current financial year and the Medium-Term Financial Plan.

### KEY STRATEGIC FINDINGS



Regular performance review meetings between project leads and finance to discuss progress and status of the actions in place to meet the goals in the Commercial Strategy were not undertaken in 2023/24.



It is noted that the Medium-Term Financial Plan (MTFP) has been prepared at a time when there is a lack of clarity or certainty regarding future funding allocations from the government as the timing of the Fair Funding Review (FFR) is unknown.

### GOOD PRACTICE IDENTIFIED



The MTFP has been reviewed on an annual basis in March 2022 and 2023 to ensure that the assumptions, and prevailing economic and political climate are considered when agreeing the detailed forecast for the coming year and the following three years.



An external advisor, Pixel, has been used to assist the Council in modelling its MTFP.








### ACTION POINTS

| Urgent | Important | Routine | Operational |
|--------|-----------|---------|-------------|
| 0      | 1         | 0       | 0           |

## Assurance - Key Findings and Management Action Plan (MAP)

| Rec. | Risk Area | Finding  | Recommendation   | Priority | Management Comments  | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title)       |
|------|-----------|--|--|----------|--|-------------------------------------|---------------------------------------|
| 1    | Delivery  | <p>Regular performance review meetings between project leads and finance to discuss progress and status of the actions in place to meet the goals in the Commercial Strategy have not been undertaken in 2023/24. As stated in the strategy, the success of delivery of the plan is measured through monitoring completion of the projects in the action plan.</p> <p>The Financial Services Business Manager acknowledged that in 2023/24, the focus has been on the MTFP, and the regular, formal monitoring and reporting activity undertaken in 2022/23 was not maintained. They stated that this will be resumed for 2024/25 as recruitment to a key post in the transformation team is underway.</p> | <p>Delivery of the Commercial Strategy projects to be regularly monitored through regular review meetings and progress reports within the service and Finance and to a wider senior management through regular Commercial Strategy Action Plan updates.</p> <p>Delivery for each Project/scheme to be appropriately risk assessed so there is a clear understanding of the likelihood of achievement and identification of alternatives.</p> | 2        | <i>The Council will continue to monitor and report on progress against each of the proposed actions as identified within the Commercial Plan. Once available resource has been sourced, the update meetings, facilitated by the Transformation team, will be added back into the diary</i> | 30/06/2024                          | Business Manager – Financial Services |

## Executive Summary – Contractual relationship with Active 4 today

| OVERALL ASSESSMENT  |           | KEY STRATEGIC FINDINGS   |             |  |  |        |           |         |             |   |   |   |   |
|---|-----------|--|-------------|--|--|--------|-----------|---------|-------------|---|---|---|---|
| <div></div>  |           | <div><div></div><div>The contract between Active4Today and the council remains unsigned.</div></div> <div><div></div><div>There are several SLAs between the council and Active4Today that are both, unsigned and not correctly monitored.</div></div> <div><div></div><div>The council provides no guidance regarding non-compliance of contracts.</div></div> <div><div></div><div>There is no active monitoring (with or without the use of KPI's) surrounding the contractual relationship between the council and Active4Today.</div></div> |             |  |  |        |           |         |             |   |   |   |   |
| ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE   |           | GOOD PRACTICE IDENTIFIED   |             |  |  |        |           |         |             |   |   |   |   |
| <p>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.</p> |           | <div><div></div><div>The Executive Shareholder Committee meet inline with expectations set out in the TOR and all agreements are made at Quorum.</div></div> <div><div></div><div>Energy prices are considered and are currently in the report to shareholder committee where the increase in process has been noted.</div></div>  |             |  |  |        |           |         |             |   |   |   |   |
| SCOPE   |           | ACTION POINTS  |             |  |  |        |           |         |             |   |   |   |   |
| <p>To gain assurance that the contractual relationships (in relation to the Management Agreement and individual SLA's) between the Council and Active4Today are being effectively managed.</p>              |           | <table><tr><th>Urgent</th><th>Important</th><th>Routine</th><th>Operational</th></tr><tr><td>0</td><td>2</td><td>5</td><td>2</td></tr></table>   |             |  |  | Urgent | Important | Routine | Operational | 0 | 2 | 5 | 2 |
| Urgent  | Important | Routine  | Operational |  |  |        |           |         |             |   |   |   |   |
| 0   | 2         | 5  | 2           |  |  |        |           |         |             |   |   |   |   |

## Assurance - Key Findings and Management Action Plan (MAP)

| Rec. | Risk Area | Finding   | Recommendation   | Priority | Management Comments  | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title)  |
|------|-----------|---|--|----------|--|-------------------------------------|--|
| 2    | Directed  | <p>The contract between Newark and Sherwood District Council and Active4Today has been operating and in use since 1<sup>st</sup> June 2015 with a termination date of 31<sup>st</sup> May 2030. While the contract is in the operating period it should be noted that there is no signature from either party present on the contract. The contract holds a clause for dispute resolution and unenforceability however these may not be binding as they are not formally agreed.</p> <p>Additionally, the contract references appendix documents at several points; however, no such appendices could be evidenced.</p> <p>In addition to the Contract not being signed, it was evidenced that out of 12 SLA's 6 were missing signatures by either one or both parties.</p> <p>6/12 were signed after commencement of the SLA and 1/12 of the SLA's provided was a schedule and not a full agreement.</p> | It is recommended that all relevant documents be sufficiently signed and approved including the contract and SLAs. | 2        | <p><i>The contract between Active4Today and NSDC has been agreed but it is recognised that this does not have a formal signature.</i></p> <p><i>It is proposed that a review of the contract is undertaken to ensure there have been no changes and once complete the contract should be signed and sealed.</i></p> <p><i>A significant amount of work has gone in to delivering consistency across SLA's. All SLA's are to be signed by 1<sup>st</sup> April 2024 with an agreement and schedule of works in place.</i></p> <p><i>Responsibility will sit with the MD of Active for today with oversight by the BM Regeneration and Housing Strategy at quarterly compliance meeting.</i></p> | <p>01/04/2024</p> <p>01/04/2024</p> | <p>Assistant Director Legal and Democratic Services. Managing Director Active4 Today.</p> <p>Managing Director Active4 Today.</p> <p>BM Regeneration and Housing Strategy.</p> |

### PRIORITY GRADINGS

|   |        |  |   |           |  |   |         |  |
|---|--------|--|---|-----------|--|---|---------|--|
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|---|--------|--|---|-----------|--|---|---------|--|

| Rec. | Risk Area | Finding   | Recommendation   | Priority | Management Comments   | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title)                                       |
|------|-----------|---|--|----------|---|-------------------------------------|---|
| 7    | Delivery  | <p>Based on the financial projections of Active4today it has been identified that the leisure centre is expected to incur a significant deficit of circa 0.5m by then end of the financial year.</p> <p>Southwell Leisure Centre fitness suite was closed for repairs in January 2023, where no member fees were collected for the fitness suite, this had a negative financial effect on the Company, losing approximately £45,000 in the period.</p> <p>Active4today has made the executive shareholder committee aware via their performance outturn report that they are expecting further works would be required during quarter 3 and possibly quarter 4.</p> | It is recommended that the council and Active 4 today maintain a close working partnership to enable open discussions regarding financial viability of the organisation and mitigating potential long-term impacts on the service provision delivered by Active4today.                 | 2        | <p><i>The compliance meeting and performance reporting arrangements between the council and Active4Todays management team on a quarterly basis provide for open and frank discussion on the financial viability of the company.</i></p> <p><i>A request from NSDC to Active to provide financial information in a revised format has now been actioned.</i></p> | Complete and ongoing.               | <p>BM Regeneration and Housing Strategy.</p> <p>MD Active4 Today.</p> |
| 1    | Directed  | While this audit could not evidence an updated policy, a brief guide to contract procedure rules was made available. This guide is an appendix to a larger document that was not supplied at the time of testing and is a July 2019 revision. The guide covers Five main areas, the scope, common requirements, conducting purchase and disposal, contract and other formalities and contract management. Whilst the guide is extensive it is not as up to date as it could be.   | It is recommended that a contract management policy be written as a directive control and to guide people to the contract procedure rules document. It is also recommended that the contract procedure rules document be brought up to date and be signed off at a relevant committee. | 3        | <i>The Contract Procedure Rules were updated in 2022 therefore training/awareness will be raised for staff to the current CPR on the intranet.</i>  | April 2024.                         | Nick Wilson/ Welland Procurement.                                     |

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| Rec. | Risk Area | Finding   | Recommendation  | Priority | Management Comments   | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title)  |
|------|-----------|---|---|----------|---|-------------------------------------|--|
| 3    | Directed  | <p>The contract procedure rules are in line with those defined in the public procurement policy outlined on the government website, however the rules do not have a section on appropriate action for noncompliance- it states that contract officers should monitor progress and compliance.</p> <p>This is also not defined in the SLA's. This audit unable to evidence any action plans to deal with performance issues and contractual non-compliance as this is not defined in the policy.</p> | It is recommended that guidance surrounding noncompliance of contracts and tender is added into the procedure to aide in effective contract management.                                   | 3        | <i>The Contract Procedure Rules are due to be reviewed by September 2024 and will include the guidance recommended.</i>   | 30/09/2024                          | Nick Wilson/<br>Welland<br>Procurement.  |
| 4    | Directed  | The audit evidenced a deficiency in the general management of SLA's where progress meetings defined in the SLA are not happening. Not having SLA meetings may lead to a communication breakdown between the service provider and customer which may then have further consequences such as dissatisfaction, missed deadlines, quality issues and lead to an ultimate lack of accountability from both sides.  | It is recommended that the contract managers review the SLAs to ensure the terms provide for regular meetings at an appropriate frequency and that these meetings are logged and minuted. | 3        | <p><i>SLA meetings are taking place however it is recognised that these have not been fully minuted in the past.</i></p> <p><i>All managers with responsibility for SLA's with Active4Today are to ensure regular and minuted meetings. To ensure compliance these will feature on the quarterly compliance meeting agenda between the council and Active4Today's management.</i></p> | 01/04/2024                          | <p><i>All SLA owners MD Active4Today.</i></p> <p><i>Oversight from BM Regeneration and Housing Strategy.</i></p> |

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| Rec. | Risk Area | Finding  | Recommendation   | Priority | Management Comments  | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title)  |
|------|-----------|--|--|----------|--|-------------------------------------|--|
| 5    | Directed  | <p>There are invoices to and from the council and Active4Today for payments to be made on both sides. 5 invoices were sampled with 2 paid late, one from Active4Today and one from the council. The 2 late invoices were for room hire from the council and a credit charge refund from Active4Today. It is seen that the late payments and credit notes was due to an overpayment of the original invoice.</p> <p>Additionally, it was evidenced that the payments for SLA's are generally late where 4/4 of the SLA's tested were not paid in line with the invoice.</p> | It is recommended that payment on both the council and the service provider be paid in line with agreed timeframes stated on the invoices. Late payments should be recorded to aid on monitoring and corrective action should be taken to mitigate the chances of this re-occurring. | 3        | <p><i>All invoices should be paid in line with agreed timeframes.</i></p> <p><i>To ensure that this is embedded, late payments by either the council or Active4Today will be raised at the quarterly compliance meetings to ensure monitoring and corrective action can be taken if necessary.</i></p> | 01/04/2024                          | <p>MD<br/>Active4Today.</p> <p>BM<br/>Regeneration and Housing Strategy.</p> |

PRIORITY GRADINGS

|   |        |  |
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|---|--------|--|

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|---|-----------|--|
| 2 | IMPORTANT | Control issue on which action should be taken at the earliest opportunity. |
|---|-----------|--|

|   |         |  |
|---|---------|--|
| 3 | ROUTINE | Control issue on which action should be taken. |
|---|---------|--|

| Rec. | Risk Area | Finding   | Recommendation   | Priority | Management Comments   | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title)  |
|------|-----------|---|--|----------|---|-------------------------------------|--|
| 6    | Delivery  | <p>While the audit was unable to evidence any KPI monitoring regarding the contractual relationship, performance indicators regarding Active4Today, its performance is noted at executive shareholder committee. The performance indicators have a target but are RAG rated against the previous year's attainment and not the ability to achieve the target.</p> <p>Out of Ten performance indicators one was performing below the previous year, this was "No. of individuals referred to Active4Today from a health professional - Attended Session - TOTAL" however there was no action noted to bring this figure back up to last year's numbers. Solely tracking numbers and not putting in place corrective action may lead to non-attainment of objectives and targets.</p> | It is recommended that corrective action is documented and taken of any goals and objectives that are at risk of not being attained. | 3        | <i>Corrective action on any goals and objectives that are at risk will be reported in the quarterly performance reporting to Performance and Shareholder Cabinet.</i> | 01/04/2024                          | <p>MD<br/>Active4Today.</p> <p>BM<br/>Regeneration and Housing Strategy.</p> |

PRIORITY GRADINGS

|   |        |  |
|---|--------|--|
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|---|--------|--|

|   |           |  |
|---|-----------|--|
| 2 | IMPORTANT | Control issue on which action should be taken at the earliest opportunity. |
|---|-----------|--|

|   |         |  |
|---|---------|--|
| 3 | ROUTINE | Control issue on which action should be taken. |
|---|---------|--|



## Progress against Annual Plan

| System   | Planned Quarter | Current Status                   | Comments                                       |
|--|-----------------|----------------------------------|--|
| Key Control Testing  | 2               | Final                            | Audit report issued                            |
| Payroll  | 3               | Final                            | Audit report issued                            |
| Financial resilience   | 2               | Final                            | Audit report issued                            |
| Grant Fund Spend and administration                            | 2               | Final                            | Audit report issued                            |
| Contractual relationship with active 4 Today                   | 2               | Final                            | Audit report issued                            |
| Gilstrap   | 4               | Final                            | Audit report issued                            |
| Complaints Process   | 3               | Site work commenced              | Testing in progress for completion by year end |
| Workforce planning   | TBC             | Site work commenced              | Testing in progress for completion by year end |
| Corporate and Commercial property Health and safety compliance | 2               | Site work commenced              | Testing in progress for completion by year end |
| Housing Voids  | 3               | Site work commenced              | Testing in progress for completion by year end |
| Delivery of corporate projects                                 | TBC             | Site work commenced              | Testing in progress for completion by year end |
| ICT assurance cyber security/ incident management              | 4               | APM issued and start date agreed | ICT audit in planning                          |
| Assurance Framework  | 4               | Site work commenced              | Testing in progress for completion by year end |
| Mansfield Crematorium  | 4               | Site work commenced              | Testing in progress for completion by year end |

### KEY:

|  |                 |  |                     |  |                     |  |                     |
|--|-----------------|--|---------------------|--|---------------------|--|---------------------|
|  | To be commenced |  | Site work commenced |  | Draft report issued |  | Final report issued |
|--|-----------------|--|---------------------|--|---------------------|--|---------------------|

### PRIORITY GRADINGS

|   |        |  |   |           |  |   |         |  |
|---|--------|--|---|-----------|--|---|---------|--|
| 1 | URGENT | Fundamental control issue on which action should be taken immediately. | 2 | IMPORTANT | Control issue on which action should be taken at the earliest opportunity. | 3 | ROUTINE | Control issue on which action should be taken. |
|---|--------|--|---|-----------|--|---|---------|--|