



Newark and Sherwood District Council

Summary Internal Controls Assurance (SICA) Report

July 2024

Final



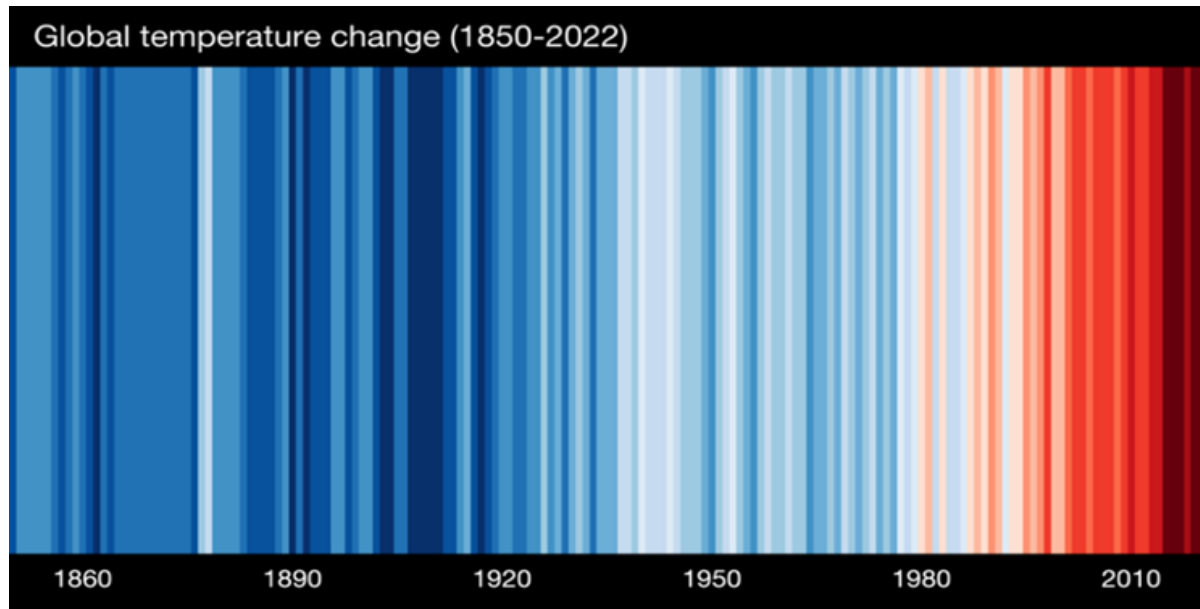
Summary Internal Controls Assurance

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 28th May 2024

Global Temperature Change

2. The scientific evidence is clear that the impacts of global warming are having an effect on our weather globally and locally and these impacts may result in a disruption to the services that we deliver. These climatic changes may also result in increased demand for our services and so we need to be prepared for these predicted changes. Extreme weather events are likely to be more frequent and more intense and we are all suffering the impacts of climate change in our daily lives, right here in the UK. 2023 was the warmest year on record globally, with average temperatures 1.48° C above pre-industrial levels. That is very nearly at the point (1.5°C) at which the United Nations believe that some regions and ecosystems will face an existential challenge. All the indicators suggest that the upward trend in temperatures is set to continue until at least the end of the century. Here in the UK, rising temperatures are leading to higher incidence of hypothermia, heart attack, respiratory failure and drownings as people struggle to escape the heat. Higher temperatures are accompanied by greater rainfall and flooding as warmer air holds more water than colder air.



We are advising our clients on their approach to making changes that address both mitigation and adaptation. Mitigation is about reducing the likelihood of climate change through cutting our Greenhouse Gas (GHG) emissions and living within very strict net-zero (or better) limits. Adaptation is about changing the way that we work and live; to accommodate the - already inevitable – effects of climate change. Adaptation involves revising public services to reflect an increase in demand for housing that keeps us cool in summer as well as warm in winter. Our clients face particular adaptation challenges as they work to keep people safe, through measures including improved housing (for both heating and cooling), information about climate risks, places of refuge, healthcare provision at all levels, public order safety, flood defences, fire fighting and public transport to name but a few.

At TIAA we are working with our clients to prepare and review climate risk assessments; prepare and review action plans for mitigation and adaptation in the face of identified risks; raise awareness of climate risks across all service areas; and begin to tackle wider implications, such as air pollution and biodiversity.

Poor air quality is the largest environmental risk to public health in the UK, and it is immediate and localised. Sources of air pollutants that affect our health are typically the same sources of greenhouse gases, including burning fossil fuels for transport and heating in the domestic properties.

Working together can help to tackle wider issues outside of the direct control of any individual organisation, working collaboratively to deliver climate change action and address the UK carbon reduction targets to achieve lasting change.

Audits completed since the last SICA report to the Audit Committee

3. 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
Treasury Management	Reasonable	25 th April 2024	13 th June 2024	26 th June 2024	-	-	4	-
Mansfield Crematorium	N/A	-	-	9 th May 2024	-	-	-	-

4. The Executive Summaries 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 2024/2025 Annual Plan

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

Changes to the Annual Plan 2024/25

6. There have been no changes to the approved plan.

Progress in actioning priority 1 & 2 recommendations

7. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. The recommendation trackers are provided for the Committee.

Frauds/Irregularities

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

Other Matters

9. We have issued a number of briefing notes and fraud digests, shown in Appendix C, since the previous SICA report.

Responsibility/Disclaimer

10. 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.

Appendix A: Executive Summaries

The following Executive Summaries are included in this Appendix. Full copies of the reports are provided to the Audit Committee.

Review	Key Findings
<p>Treasury Management</p>	<p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> • The Treasury Management Manual specifies investment/borrowing reconciliation but lacks clarity on who oversees it. • The Daily bank balance sheet tracks estimated & actual balances, scrutinising variances exceeding 50k, but transactions and protocol do not outline consistent documentation for transparency. • The Council's practice of notifying relationship manager about staff changes lacks evidence. • The Structure chart needs update. <p>GOOD PRACTICE IDENTIFIED:</p> <ul style="list-style-type: none"> • Monthly meetings with key personnel analyse Treasury Management Reconciliation, providing strategic insight for projects, cash flows, and investments. • Pre-meeting documents ('Investments Dec 23', 'Borrowing Dec 23') inform discussions. Treasury advisors offer market insights, aiding decision-making.

Appendix B (i): Progress against 2023/24 Annual Plan

System	Planned Quarter 2023/2024	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
ICT assurance cyber security/ incident management	4	Final	Audit report issued
Mansfield Crematorium	4	Final	Audit report issued
Assurance Framework	4	Final	Risk Presentation provided
Treasury Management	4	Final	Audit report issued
Workforce planning	4	Draft issued 18/04/2024	Draft report issued
Complaints Process	3	Draft report issued 30/05/2024	Draft report issued; management comments have been returned with amendments being made
Delivery of corporate projects	4	Draft report issued 17/06/2024	Draft report issued
Corporate and Commercial property Health and safety compliance	2	Testing Complete	Report being drafted

Housing Voids	3	Report being written – awaiting further evidence	Awaiting further evidence
Housing Regulatory Compliance	4	Report being written – awaiting further evidence	Awaiting further evidence

Appendix B (ii): Progress against 2024/25 Annual Plan

System	Planned Quarter 2024/2025	Current Status	Comments
Performance Management	3	To Be Commenced	Preliminary Meeting set up for the 15/11/24
Risk Management Framework	3	To Be Commenced	Preliminary Meeting set up for the 8/1/25
Business Continuity	1	To Be Commenced	Preliminary set up for the 6/7/24
Financial Resilience	2	To Be Commenced	Preliminary Meeting set up for the 3/7/24
Procurement	1	To Be Commenced	Preliminary Meeting set up for the 2/12/24
Budgetary Control	1	To Be Commenced	In progress
Gilstrap Financial	2	To Be Commenced	To Be Commenced
Mansfield Crematorium	1	To Be Commenced	To Be Commenced
Grounds Maintenance and Cleansing Service	4	To Be Commenced	To Be Commenced.
Apprenticeship and Talent Spotting	2	To Be Commenced	Opening Meeting 31 st July Testing scheduled 15 ^{trh} August.
Agile Working	3	To Be Commenced	Preliminary meeting for 31 st of July and testing commencing 15 th of Aug testing.
Housing Regulatory Compliance and Building Safety	3	To Be Commenced	Preliminary meeting arranged for the 16/10/24

Equality Diversity and Inclusivity

4

To Be Commenced

Preliminary meeting arranged 13/11/24

To be commenced

Site work commenced

Draft report issued

Final report issued

Priority 1 and 2 Recommendations

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
TPR-2223 ICT-Applications						
A timeline is established for the implementation of multi factor authentication for the Concerto application.	2	<i>The Council is working with the supplier, Concerto, and would expect implementation of either IP restriction or the introduction of Multi Factor Authentication by October 2023.</i>	31/10/2023	ICT & Digital Services Business Manager	Revised at the last audit committee to be due 30/06/2024 – work is being undertaken to set this up now and it is anticipated to go live by the end of July 2024.	
23/24 Contractual relationship with Active4Today						

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
<p>It is recommended that all relevant documents be sufficiently signed and approved including the contract and SLAs.</p>	<p>2</p>	<p><i>The contract between Active4Today and NSDC has been agreed but it is recognised that this does not have a formal signature. 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. A significant amount of work has gone in to delivering consistency across SLA's. All SLA's are to be signed by 1st April 2024 with an agreement and schedule of works in place. 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>1/4/2024 Revised 30/06/2024 Revised 31/12/2024</p>	<p>Assistant Director Legal & Demo Serv. Man Dir Active4 Today. BM Regeneration and Housing Strategy.</p>	<p><i>The SLAs for 2024/25 are now all signed by both Active4Today and the Council. Work continues regarding the completed contracts between the Council and Active4Today. It is requested that an extension to this date be approved to 31/12/2024</i></p>	<p></p>
<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.</p>	<p>2</p>	<p><i>The compliance meeting and performance reporting arrangements between the council and Active4Today's management team on a quarterly basis provide for open and frank discussion on the financial viability of the company. A request from NSDC to Active to provide financial information in a revised format has now been actioned.</i></p>	<p>13/2/2024</p>	<p>BM Regeneration and Housing Strategy.MD Active4 Today.</p>	<p>Complete</p>	<p></p>

KEY:

Priority Gradings (1 & 2)

1	URGENT	Fundamental control issue on which action should be taken immediately.
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2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
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Risk Mitigation

CLEARED	Internal audit work confirms action taken addresses the risk exposure.
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ON TARGET	Control issue on which action should be taken at the earliest opportunity.
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EXPOSED	Target date not met & risk exposure still extant
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Appendix C: Briefings on Developments in Governance, Risk and Control

TIAA produce regular briefing notes to summarise new developments in Governance, Risk, Control, Counter Fraud and Security Management which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those briefings issued in the last three months which may be of relevance to Newark and Sherwood district council is given below:

Summary of recent Client Briefings and Alerts

Date Issued	Sector	Briefing Type	Subject	Web Link	TIAA Comments
26 MARCH 2024	All	Client Briefing Note	Procurement Act 2023	Transforming Public Procurement - GOV.UK (www.gov.uk) Procurement Act 2023: short guides - GOV.UK (www.gov.uk)	<p>The Procurement Bill, which will reform the existing Procurement Rules, received Royal Assent in October 2023. In early 2024 secondary legislation (regulations) will be laid to bring some elements of the Bill and the wider regime into effect.</p> <p>The Procurement Act is expected to be implemented in October 2024 following at least six months notice.</p> <p>We share the key points.</p>
26 MARCH 2024	All	TIAA Article	As Featured In The Saturday Telegraph – What Gives Your Board Confidence In Your Internal Investigations Ability?	As featured in the Saturday Telegraph - what gives your Board confidence in your internal investigations ability? - TIAA	<p>Does your business need help with HR Investigations? Our latest article in the Saturday Telegraph highlights the importance of having a specialist team handle these complex and sensitive matters.</p>
15 MARCH 2024	All	Security Alert	Serious Organised Crime Theft Warning – Purses & Wallets	Serious organised crime theft warning – purses & wallets - TIAA	<p>An organised group of thieves, specialising in the theft of purses, wallets and the subsequent fraudulent use of stolen credit cards have been operating in the southwest and elsewhere in the UK in recent months.</p> <p>The offenders dress smartly and often wear an NHS/Council style lanyard.</p> <p>We provide key advice.</p>
13 MARCH 2024	All	Anti-Crime Alert	Action Fraud Launches Holiday Fraud Campaign	Action Fraud launches holiday fraud campaign - TIAA	<p>Action Fraud has launched a crucial campaign to combat holiday fraud. As the holiday season approaches, scammers are on the prowl. Read our key advice.</p>