



Newark and Sherwood District Council

Summary Internal Controls Assurance (SICA) Report

September 2024

Draft



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 and 10th September 2024.

B Corp

2. TIAA Ltd has achieved its certification as a B Corporation (or B Corp), joining a growing movement of companies that are reinventing business for the benefit of all people and our shared planet. Verified by B Lab, the not-for-profit behind the B Corp movement, the achievement demonstrates that TIAA Ltd meets high standards of social and environmental performance, transparency, and accountability alongside a commitment to goals beyond shareholder value.

The news comes as the ongoing climate crisis and widening social inequality continue to pose urgent challenges to our economy. B Corp Certification assesses the entirety of a business’ operations and currently covers five main impact areas: Governance, Workers, Community, Environment and Customers. The certification process is rigorous, with companies required to reach a score of 80 points in the B Impact Assessment while providing evidence of responsible practices relating to energy supplies, waste and water use, worker compensation, diversity, and corporate transparency. A business must also legally embed their commitment to purpose as well as profit in their company articles.

TIAA Ltd is now part of a growing community of over 8,000 businesses globally that have certified as B Corps. The B Corp community in the UK is one of the largest and fastest growing in the world, with over 1,700 companies spanning a range of different industries and sizes. Names include The Guardian, Innocent Drinks, Patagonia, Tony’s Chocolonely, The Big Issue, Finisterre, Elemis, and Sipsmith Gin.

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 |
| Workforce Planning | Reasonable | 18 th April 2024 | 18 th June 2024 | 18 th July 2024 | - | 1 | 4 | - |
| Complaints process | Reasonable | 30 th May 2024 | 2nd August 2024 | 13 th August 2024 | - | - | 2 | 1 |

| Delivery of corporate projects | Reasonable | 17 th June 2024 | 18 th July 2024 | 23 rd July 2024 | - | 3 | 3 | 0 |
|--------------------------------|------------|----------------------------|----------------------------|----------------------------|---|---|---|---|
|--------------------------------|------------|----------------------------|----------------------------|----------------------------|---|---|---|---|

- 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

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

Changes to the Annual Plan 2024/25

- There have been no changes to the approved plan.

Progress in actioning priority 1 & 2 recommendations

- 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

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

Other Matters

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

Responsibility/Disclaimer

- 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>Workforce Planning</p> | <p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> • A clear and detailed Workforce Strategy was evidenced to demonstrate organisational direction until 2027. • No current Learning monitoring system is in place, however evidence that this is being arranged was provided. • No current (Equality, Diversity and Inclusion) EDI committee or EDI officer are in place. • No evidence could be provided that the five-year Workforce Strategy has been reviewed in line with agreed dates of January 2023 to January 2027 and this document is listed as Draft v4, shown on page 17 in the Approval, consultation and review timetable section. <p>GOOD PRACTICE IDENTIFIED:</p> <ul style="list-style-type: none"> • The current 5-year action plan and committee minutes provides evidence that a new training system is being considered. • The current 5-year action plan has been adhered to and includes required improvements to training and EDI matters. |
| <p>Complaints Process</p> | <p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> • A sample of six stage one complaints, and six stage two revealed issues relating to the maintenance of underlying evidence to support the progressing of three of these complaints in accordance with the applicable recorded date. (25%). • Performance mechanisms for the monitoring for satisfaction of complaints require development and, with the exception of housing services, are not included within KPIs. • Staff conduct and time taken for repairs were consistent areas of concerns with regards to complaints, each being the most prominent reason for complaints over multiple quarters. <p>GOOD PRACTICE IDENTIFIED:</p> <ul style="list-style-type: none"> • The Council is compliant with the Ombudsman Complaint Handling Code with respect to feedback which can be made either directly with the complainant or by someone appointed to act on their behalf. • There are various communication avenues for residents including social media, council consultations, residents panel and a tenant engagement board. • There is an appropriate and adequate training provision.. |
| <p>Delivery of Corporate Projects</p> | <p>KEY STRATEGIC FINDINGS:</p> |

| Review | Key Findings |
|--------|--|
| | <ul style="list-style-type: none"> • Risk Management practices varied across projects and a risk register was unable to be evidenced for Bowbridge Road Car Park. • The PID documentation does not include budget information. • Budget tracking processes varied significantly across the four projects sampled. • Inconsistent documentation practices were identified across projects. Specifically, a lack of verifiable approvals, inconsistent project briefs, and an absence of outlined benefits and KPIs <p>GOOD PRACTICE IDENTIFIED:</p> <p>The contractor for Alexander Lodge ceased trading mid-project. The council responded appropriately, allocating an extra £310,000 on 27th March 2023, ensuring the project’s continuation despite the initial contractor going into administration at 35% completion. This proactive approach safeguarded the council’s assets and maintained project momentum</p> |

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 | Final issued 18/07/2024 | Audit report issued |
| Complaints Process | 3 | Final report issued 13 th August 2024 | Audit report issued |
| Delivery of corporate projects | 4 | Final report issued 23 rd July 2024 | Audit report issued |
| Corporate and Commercial property Health and safety compliance | 2 | Draft (17 th July) | Awaiting responses |
| Housing Voids | 3 | Draft (8 th August) | Further meeting booked for October |

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

| System | Planned Quarter 2024/2025 | Current Status | Comments |
|---|---------------------------|---------------------|--|
| Business Continuity | 1 | In progress | In progress |
| Procurement | 1 | In progress | In progress |
| Budgetary Control | 1 | Fieldwork completed | Draft report to be issued shortly |
| Financial Resilience | 2 | In progress | In progress |
| Apprenticeship and Talent Spotting | 2 | In progress | In progress |
| Agile Working | 3 | In progress | In progress |
| Housing Regulatory Compliance and Building Safety | 3 | To Be Commenced | Scoping meeting held - Preliminary meeting arranged for the 16/10/24 |
| 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 |
| Mansfield Crematorium | 4 | To Be Commenced | To Be Commenced |
| Gilstrap Financial | 4 | To Be Commenced | To Be Commenced |
| Grounds Maintenance and Cleansing Service | 4 | To Be Commenced | To Be Commenced. |
| 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 |
|--|----------|--|--|---|--|----------------|
| 23/24 Contractual relationship with Active4Today | | | | | | |
| It is recommended that all relevant documents be sufficiently signed and approved including the contract and SLAs. | 2 | <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> | 1/4/2024 Revised 30/06/2024 Revised 30/12/2024 | Assistant Director Legal & Demo Serv. Man Dir Active4 Today. BM Regeneration and Housing Strategy. | Work continues regarding the completed contracts between the Council and Active4Today. | |

KEY:

Priority Gradings (1 & 2)

| | | | | | |
|----------|---------------|--|----------|------------------|--|
| 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. |
|----------|---------------|--|----------|------------------|--|

Risk Mitigation

| | | | | | |
|----------------|--|------------------|--|----------------|--|
| CLEARED | Internal audit work confirms action taken addresses the risk exposure. | ON TARGET | Control issue on which action should be taken at the earliest opportunity. | EXPOSED | Target date not met & risk exposure still extant |
|----------------|--|------------------|--|----------------|--|

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

| Briefing Type | Subject | Web Link | TIAA Comments |
|-----------------------|--|---|--|
| Data Protection Alert | New Digital Information and Smart Data Bill | New Digital Information and Smart Data Bill - TIAA | The UK government is introducing a Digital Information and Smart Data Bill (DISD), distinct from the previous government's failed Data Protection and Digital Information Bill in several ways. Learn more about this new bill and the actions to take to keep your data protected. |
| Client Briefing | The Economic Crime and Corporate Transparency Act 2023 | The Economic Crime and Corporate Transparency Act 2023 - TIAA | Learn about the Economic Crime and Corporate Transparency Act 2023, aimed at boosting the UK's efforts to combat economic crime and improve corporate transparency. Discover the Act's key points and requirements. |
| Client Briefing | Cyber Security Threats | Cyber Security Threats - TIAA | The National Cyber Security Centre (NCSC) has published an alert of a significant risk to IT systems and infrastructure. Attackers are exploiting vulnerable Small Office and Home Office (SoHo) devices at organisations to leverage attacks. Typically, SoHo devices (broadband routers etc) do not feature the advance security protection of enterprise level IT systems, thus making them an easy target. |

| Briefing Type | Subject | Web Link | TIAA Comments |
|----------------|--|---|--|
| Security Alert | Suspect found guilty of hospital terror plot | Suspect found guilty of hospital terror plot - TIAA | We detail the alarming story of a suspect found guilty of a hospital terror plot. |
| Security Alert | Violent incidents at GP practices | Violent incidents at GP practices - TIAA | There has been a concerning rise in the number of violent incidents occurring at GP practices over the last two years, bringing the NHS crisis sharply into focus. |