



Newark and Sherwood District Council

Summary Internal Controls Assurance (SICA) Report

November 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 between 10th September 2024 and 21st November 2024.

B Corp

2. The new Internal Audit Code of Practice, which sets out fundamental principles for running a strong and effective internal audit function. For the first time, it presents a unified Code that encompasses the financial services, private, and third sectors.

The Code reflects the final recommendations of the Independent Internal Audit Code of Practice Review Committee and has received full endorsement by the Chartered IIA's Council. The Global Standards urge boards and Audit Committees across the financial, private and third sectors to adopt and implement the Code's principles, embarking on their path to full compliance. Embracing these principles will maximise the value of internal audit and unlock the full potential of the profession.

The purpose of the Code

The principles which follow are aimed at enhancing the overall impact and effectiveness of internal audit within organisations operating in the UK and Ireland. They are regarded as a benchmark of good practice against which organisations should assess their internal audit function.

Who is it for?

The intended audience for the Code of Practice (the 'Code') includes members of board audit and risk committees, chief audit executives, non-executive directors, senior management, and, where appropriate, regulatory bodies. The Code is intended to be applied by all organisations in the financial services, private and third sectors with an internal audit function and a board audit committee of independent non-executive directors or their equivalent. This Code may prove useful for internal audit in the public sector, but it is not drafted with the public sector specifically in mind. Public sector internal audit functions should continue to follow the Public Sector Internal Audit Standards.

How should it be applied?

The Code should be applied in conjunction with the International Professional Practices Framework and the Global Internal Audit Standards. The Code builds on these Standards and seeks to increase the impact and effectiveness of internal audit. The Code is principles-based. It is expected that the principles are applied proportionately, in line with the nature, scope and complexity of the organisation. Internal audit functions should apply the Code in the context of internal audit regulatory standards applicable to the organisation.

See Appendix D for further information and available resources

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
Housing Voids (2023/24)	Reasonable	8 th August 2024	29 th October 2024	29 th October 2024	0	3	3	-
Assurance Review of Budgetary Control (Key Control Audit)	Substantial	26 th September 2024	9 th October 2024	22 nd October 2024	-	-	-	1
Assurance Review of Corporate and Commercial Property Health and Safety Compliance (2023/24)	Reasonable	17 th July 2024	18 th September 2024	25 th September 2024	-	1	3	-
Assurance Review of Business Continuity – Appendix E Refers.	Limited Assurance Report provided in full at Appendix E	6 th November 2024	20 th November 2024	21 st November 2024	1	3	2	-

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 one 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>1. Assurance Review of Housing Voids (2023/24)</p>	<p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> • Testing demonstrated gaps in void property tracker control data and a lack of management oversight. • The “VIP004” Void Management Procedure is dated August 2022 and is overdue for review. • No Tenant Representative Void property audit reports could be provided during audit. • The Void Lettable Standard document was last approved by the Homes and Communities Committee in June 2021 and is overdue for review. <p>GOOD PRACTICE IDENTIFIED:</p> <ul style="list-style-type: none"> • The risk of an increase in void properties is recognised in the strategic risk register. • Tenant outreach is completed and reported monthly.
<p>2. Assurance Review of Budgetary Control (Key Control Audit)</p>	<p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> • There is a robust system of internal controls operating effectively relating to Budgetary Control to ensure that risks are managed, and process objectives achieved. • It was noted that in two out of ten cases, the date the Virement was actioned could not be verified at the time of testing. <p>GOOD PRACTICE IDENTIFIED:</p> <ul style="list-style-type: none"> • The budget is continuously challenged and reported to the various Directorates and the Senior Leadership Team.
<p>3. Corporate and Commercial Property Health and Safety Compliance (2023/24)</p>	<p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> • Sample testing of five commercial properties identified risks around fire damper testing, access to ducting, and replacement of the security system at the Newark Beacon Innovation Centre (NBIC), which were not formally considered for inclusion in a local or operational risk register. • Quarterly reporting by exception on compliance with the H&S requirements in five key areas (legionella, asbestos fire, gas, electrical) is reported to the Senior Leadership Team and the Risk Management Group. • Sample testing confirmed that Health and Safety compliance testing and servicing is undertaken and supporting evidence is retained. Results are followed up, and action taken or planned is identified. <p>GOOD PRACTICE IDENTIFIED:</p>

Review	Key Findings
	<ul style="list-style-type: none"> • There is a 2024/25 Building Compliance Delivery Programme mapping servicing and inspection requirements for the corporate properties.
<p>4. Business Continuity - Limited Assurance – Appendix E Refers.</p>	<p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> • The Corporate Business Continuity Plan did not consider the revised Business Unit Business Impact Assessments. • Business Units Business Continuity Plans are not regularly tested based on risk and critical functions. • The Council has not implemented a formal process for regularly reporting updates on business continuity reviews, testing and lessons learned to the Senior Leadership Team. • The Corporate Business Continuity Plan (CBCP) and requires that it is tested on a regular basis, however, this had not been undertaken. <p>GOOD PRACTICE IDENTIFIED:</p> <ul style="list-style-type: none"> • Electronic copies of Business Continuity Plans are accessible by the Senior Leadership Team (SLT), Business Managers (BMs) and staff contacts. A copy is also held by Newark & Sherwood District Council’s Public Protection Business Unit (CSBU). • All fifteen Business Units had updated their Business Continuity plans and Business Impact Plans for 24/25.

OVERALL ASSESSMENT







ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

By the inclusion of void properties in the strategic risk register, regular reporting on tenant outreach and through the development of a void tracker, the council is mitigating the risk of unsuitable properties being let and suitable properties being left vacant for long periods of time.



SCOPE

Provided assurance that the Council effectively manages its void housing. Delivering a clean, safe and secure property to incoming tenants, within agreed targets for turnaround times, quality standards and cost.

KEY STRATEGIC FINDINGS

-  Testing demonstrated gaps in void property tracker control data and a lack of management oversight.
-  The "VIP004" Void Management Procedure is dated August 2022 and is overdue for review.
-  No Tenant Representative Void property audit reports could be provided during audit.
-  The Void Lettable Standard document was last approved by the Homes and Communities Committee in June 2021 and is overdue for review.

GOOD PRACTICE IDENTIFIED

-  The risk of an increase in void properties is recognised in the strategic risk register.
-  Tenant outreach is completed and reported monthly.

ACTION POINTS

Urgent	Important	Routine	Operational
0	3	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)
6	Directed	The Void property Tracker had insufficient granularity to enable tracking of void properties. For example, there was no indication of when properties had been let from, nor was it completed fully. There were many cells where information was not provided and no indication of why it had not been completed. This spreadsheet represents an important control for the management of void properties and is a requisite for both proactive management of properties and completions of key metrics.	Management should complete the Void Tracker on a regular basis. Ideally the completion of the tracker would be supplemented by a procedure/guidance and be periodically subject to management review.	2	<i>Improved, more detailed spreadsheet is now in use and is viewed during the weekly operational voids meetings.</i> <i>Management attends the weekly void meetings.</i>	-November 2024	ABM – Housing Services and Responsive Repairs Manager
1	Directed	The Void Lettable Standard document was approved by the Homes and Communities Committee in June 2021 with a review date of June 2024. This review is now overdue.	Review of The Void Lettable Standard document to be undertaken in line with the agreed review date.	2	<i>A review of the standard will be commenced, progressing through internal governance and include tenant and officer consultation.</i>	<i>Review to commence 1 November with an implementation date of 1st April 2025</i>	<i>Responsive Repairs Manager</i>
3	Directed	Governance arrangements, together with performance targets are not set out in writing.	To ensure that void reporting requirements and responsibilities, together with key performance indicators (KPIs) or targets are included in the Void Management Procedure.	2	<i>A review of the procedure will be commenced, progressing through internal governance.</i>	<i>Review to commence 1 November with an implementation date of 1st April 2025</i>	<i>Responsive Repairs Manager</i>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	The VIP004 Void Management Procedure is dated August 2022 and is overdue for review. It is noted that the new Housing Maintenance Manager is currently working on the document.	Review of the Void Management Procedure to be undertaken to ensure processes are up to date and ratified by the appropriate committee.	3	<i>A review of the procedure will be commenced, progressing through internal governance.</i>	<i>Review to commence 1 November with an implementation date of 1st April 2025</i>	<i>Responsive Repairs Manager</i>
4	Directed	Of 10 void properties tested, taken from the current Void Tracker, 8 were listed as Repair Status: Complete, though no date of new tenancy was included in the data provided. As no date of new tenancy has been recorded, it cannot be readily determined whether the property is still vacant/void and how long it may have been vacant for, nor when the repairs were completed. Two properties tested did not include a key received date. It was advised during a meeting with the housing maintenance manager that this may be due to property inspectors or contractors failing to complete the form, however no narrative supported this. One property tested shows a termination date of 14/08/2023 and is still listed as void. Notes do not indicate the reason for this. One property works took 31 days, listing minor repairs needed, however, this property required a full redecoration, including wallpaper, carpets and other maintenance works. One property, with termination date of 04/03/2024 and keys received 29/02/2024 has no advertised or	The Void Tracker to be fully completed with sufficient detail to support the reason for outliers.	3	<i>Improved, more detailed spreadsheet is now in use and is viewed during the weekly operational voids meetings.</i>	<i>-November 2024</i>	<i>ABM – Housing Services and Responsive Repairs Manager</i>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
		estimated fit to let date. Notes indicate that a new fire door is required, though no other explanation is given as to why the property is still listed as void.					
5	Delivery	The council does not offer training to staff to ensure management of void properties and subsequent maintenance matters are completed in an appropriate manner. During interview with the Housing Maintenance Manager and Void property manager, it was explained that void properties are managed by one staff member. Due to this single person dependency, assurance of organisational resilience cannot be provided should this staff member be absent.	Training to be provided to additional staff, to reduce the risk of single point of failure regarding void property management.	3	<i>Training has already commenced with additional staff within the Housing Maintenance and Asset Management Business Unit. This change in approach will be included in the revised Void Management Procedure.</i>	<i>Review to commence 1 November with an implementation date of 1st April 2025</i>	<i>Responsive Repairs Manager</i>

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Ensuring Financial Sustainability.

KEY STRATEGIC FINDINGS

- There is a robust system of internal controls operating effectively relating to Budgetary Control to ensure that risks are managed, and process objectives achieved.
- It was noted that in two out of ten cases, the date the Virement was actioned could not be verified at the time of testing.

GOOD PRACTICE IDENTIFIED

- The budget is continuously challenged and reported to the various Directorates and the Senior Leadership Team.

SCOPE

Key control objectives that were considered included:

- Approved budgets are set each year, considering all relevant income and expenditure.
- The financial management system accurately reflects the agreed budgets.
- Budgets are allocated to individuals at an appropriate level, with monitoring responsibilities clearly outlined.
- All budget adjustments (including virements) are authorised.
- Budgets are adequately monitored and regularly reported.
- Appropriate financial reserves are maintained in line with assessed risks.


ACTION POINTS

Urgent	Important	Routine	Operational
0	0	0	1

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)
No Recommendations were made.							

OVERALL ASSESSMENT






ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

SR309 Implementation and maintenance of suitable statutory safety compliance management systems.


SCOPE

The review considered compliance with the main Health and Safety requirements for Corporate and Commercial property including: Water Hygiene and Legionella; Gas Safety (heating and ventilation); Electrical Safety; Fall Arrest Systems; Asbestos; Lifts and Lifting Equipment; Fire Safety; Moveable Walls; and Security Systems.

KEY STRATEGIC FINDINGS

-  Sample testing of five commercial properties identified risks around fire damper testing, access to ducting, and replacement of the security system at the Newark Beacon Innovation Centre (NBIC), which were not formally considered for inclusion in a local or operational risk register.
-  Quarterly reporting by exception on compliance with the H&S requirements in five key areas (legionella, asbestos fire, gas, electrical) is reported to the Senior Leadership Team and the Risk Management Group.
-  Sample testing confirmed that Health and Safety compliance testing and servicing is undertaken and supporting evidence is retained. Results are followed up, and action taken or planned is identified.

GOOD PRACTICE IDENTIFIED

-  There is a 2024/25 Building Compliance Delivery Programme mapping servicing and inspection requirements for the corporate properties.

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)
2	Directed	Sample testing identified that there were issues requiring longer-term solutions or a decision to accept a certain level of risk, but associated risks and mitigating actions were not formally considered for inclusion in a local or operational risk register. The issues related to fire safety and security at the NBIC (fire damper testing, accessing ducting, replacement of the security system). The quarterly compliance report did not specifically highlight risks for consideration at the Risk Management Group (RMG).	To ensure risks relating to facilities compliance are considered for inclusion on a local risk register and escalated in accordance with the Council's risk management process.	2	<i>Going forward the new process will be that the Risk Management Group will be updated of risks which cannot be resolved within a short timeframe. With agreement at the group that this is acceptable this will then form part of the Operational Risks on the Operational Risk Register for Corporate Property.</i>	31/12/2024	Asset Surveyor/Bus iness Manager Corporate Property/Rep airs and Maintenance Manager
1	Directed	A Corporate Property - Building Compliance Delivery Program is ready for implementation in 2024/25 and includes the responsibilities of the compliance team, the servicing requirements and frequencies, and a list of the corporate and commercial properties the programme covers. There is limited detail on the processes operating within the compliance team, including monitoring and reporting arrangements and the governance framework for decision-making such as SLT and Risk Management Group (RMG).	To address a lack of guidance on the governance framework and reporting arrangements by developing a policy and procedures document or by including information in the annual Corporate Property - Building Compliance Delivery Program.	3	<i>Corporate Property have a process map to identify procedures and roles within the team and the relevant escalation processes to resolve issues. See attached.</i>	31/09/2024	Asset Surveyor/Bus iness Manager Corporate Property/Rep airs and Maintenance Manager

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Delivery	Whilst it was noted that some dates are stated in the narrative of the action, the quarterly compliance report to SLT and RMG does not include a timescale for completion against all actions. Without an indication of timescales, delays may not be monitored and addressed promptly.	To include clear timescale for each identified action.	3	<i>Timescales will be a mandatory part of the reporting format to SLT.</i>	31/12/2024	<i>Asset Surveyor/Business Manager Corporate Property</i>
4	Delivery	There is no coordinated or consolidated approach to Council-wide reporting of the operational compliance tests managed by individual site managers such as maintaining on-site fire logs, emergency lighting tests. It is understood that discussions are underway to consider the process to manage these tests.	A standard, consistent recording and reporting mechanism to be agreed and implemented to cover local, operational compliance tests.	3	<i>A consolidated report which encapsulates all operational compliance tests managed by site managers will be reported on a frequent basis to the Risk Management Group.</i>	31/03/2025	<i>Deputy Chief Executive/Director of Resources</i>

Appendix B - Progress against 2024/25 Annual Plan

System	Planned Quarter 2024/2025	Current Status	Comments
Business Continuity	1	Final report issued	
Procurement	1	Fieldwork Almost Completed	
Budgetary Control	1	Final report issued	
Financial Resilience	2	Fieldwork Completed	
Apprenticeship and Talent Spotting	2	Fieldwork Almost Completed	
Agile Working	3	Fieldwork Almost Completed	
Housing Regulatory Compliance and Building Safety	3	Halfway Through Fieldwork	
Performance Management	3	At early stages	Preliminary Meeting occurred 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	
Gilstrap Financial	4	To Be Commenced	Waiting for evidence to be provided
Grounds Maintenance and Cleansing Service	4	To Be Commenced	
Equality Diversity and Inclusivity	4	At early stages	
24/25 ICT-Cyber Security Maturity Assessment	4	To Be Commenced	

To be commenced

Site work commenced

Draft report issued

Final report issued

Priority 1 and 2 Recommendations

Job	Year	Risk Area	Recommendation	Priority	Management Comments	Due Date	Revised Due Date	Status	Last Update	Latest Response
23/24 Housing Voids	2023	Directed Risk	Management should complete the Void Tracker on a regular basis. Ideally the completion of the tracker would be supplemented by a procedure/guidance and be periodically subject to management review.	2	Improved, more detailed spreadsheet is now in use and is viewed during the weekly operational voids meetings. Management attends the weekly void meetings.	29/10/2024		Complete	28/11/2024	Complete. Director of HWB observed voids meeting where spreadsheet used to drive workstreams
23/24 Contractual relationship with Active4Today	2023	Directed Risk	It is recommended that all relevant documents be sufficiently signed and approved including the contract and SLAs.	2	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.	01/04/2024	30/12/2024	Outstanding	November 2024	No signature as at October 2024

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

Briefing Type	Subject	Web Link	TIAA Comments
TIAA News	Give a Helping Hand Charity Team Building	Give a Helping Hand Charity Team Building - TIAA	Our Head Office staff recently took part in a team building event, organised by team tactics , which saw them building a number of prosthetic hands destined for individuals in developing countries.
Newsletter	Security Focus Newsletter Edition 8	Security Focus Newsletter Edition 8 - TIAA	Security and risk management is a key challenge for any organisation, this newsletter contains lots of useful advice and tips to help ensure a safe and secure environment for your staff and visitors. No organisation wants the disruption or bad publicity that incidents of violence and aggression against your staff or crimes against your property create.
Industry News	Protect Duty Update – (The Terrorism (Protection of Premises Bill)	Protect Duty Update - (The Terrorism (Protection of Premises Bill) - TIAA	An update and key points on the Terrorism (Protection of Premises) Bill.
TIAA Article	Celebrating Cyber Security Month: Protecting Our Digital World	Celebrating Cyber Security Month: Protecting Our Digital World - TIAA	As we step into Cyber Security Month, it's a perfect time to reflect on the importance of safeguarding our digital lives. In an era where technology is deeply intertwined with our daily activities, understanding and implementing robust cyber security measures is crucial. Find out about the importance of cyber security, getting the basics right and emerging trends.

Briefing Type	Subject	Web Link	TIAA Comments
Anti-Crime Alert	Mandate Fraud Alert	Mandate Fraud Alert - TIAA	A TIAA client has been targeted by fraudsters in an attempted mandate fraud. Read the full details in our alert.
Briefing Note	Authorised Push Payment Scams	Authorised Push Payment Scams - TIAA	An implementation date of 7 October 2024 for Authorised Push Payment scam protection, is confirmed by the Payment Systems Regulator. Authorised Push Payment (APP) fraud is a significant issue and can have a devastating impact on victims. The PSR is taking a leading role in improving outcomes for consumers by introducing new protections for victims of APP scams, while incentivising industry to implement enhanced fraud prevention tools.
Video	TIAA's B Corp Story	TIAA's B Corp Story - TIAA	TIAA is proud to be a certified 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. Watch our B Corp Story.
Security Alert	Social media trolling of NHS staff	Social media trolling of NHS staff - TIAA	In an era where online interactions can significantly impact mental health and workplace morale, it's essential to stand up against harassment targeting our dedicated NHS workforce. Our alert details a recent incident and what you can do to protect your organisation.
Security Alert	Nitrous Oxide thefts	Nitrous Oxide thefts - TIAA	Our Security Management team have issued a new security alert regarding a rise in nitrous oxide thefts. Stay informed and take necessary precautions to protect your assets.
Anti-Crime Alert	Fake QR Codes in Parking Scam	Fake QR Codes in Parking Scam - TIAA	There have been reports of scammers placing fake QR codes on parking ticket machines. These deceptive codes lead unsuspecting victims to malicious websites that mimic sites such as RingGo or PayByPhone. Our alert details how to stay safe from these scams.

Briefing Type	Subject	Web Link	TIAA Comments
Security Alert	National Protests	National Protests - TIAA	National protests took place across the country, and it's crucial to stay informed and stay safe. Our alert shares important information and tips on how to protect your organisation and staff during these uncertain times.
Client Briefing Note	Global IT Outage highlights need for robust IT Disaster Recovery and Business Continuity	Global IT Outage highlights need for robust IT Disaster Recovery and Business Continuity - TIAA	In light of the recent global IT outage, it has become even more evident how crucial it is for businesses to have robust IT disaster recovery and business continuity plans in place. Our briefing details the importance of being prepared for unexpected IT disruptions.

Appendix D: Updates to Global Internal Audit Standards

In January 2024, the Institute of Internal Auditors released the long-awaited changes to the industry's Standards that will have far-reaching impact on the year(s) ahead.

The standards will be adopted by 9th January 2025.

There are some significant changes that will provide internal audit functions with a refreshed framework and clearer requirements.

Key Innovations and Enhancements

Among the significant new requirements include:

- Establishment of an internal audit strategy.
- Heightened governance and oversight by the board and senior management.
- Enhanced reporting including ratings/rankings considerations.
- External quality assessments to be conducted by a team that includes at least one CIA.
- Technology considerations for the internal audit function's evolving needs.

Elevating the mandate and stature of Internal Audit

- Defining IA's purpose – business stakeholders should understand and be able to articulate the value of internal auditing and the mandate must be included in the internal audit charter.
- Separating independence and objectivity – Clear definitions
- Enhancing stakeholder coordination
- Building trust – Developing an approach to building relationships with key stakeholders and promote effective communication across all stakeholder groups

Maximising use of Technology

- Enabling technology as a key resource
- Using technology in audit operations – including audit planning, human and technology resource allocation
- Technology use in audit delivery – using technology to test more effectively and efficiently, for example using applications to test full populations instead of a sample (Increased costs)

Delivering more valuable results

- Promoting continuous improvement – responsible for measuring the performance of the IA function and ensuring it continuously improves
- Enhancing and elevating engagement level – A formal requirement of engagement reporting, including rating or ranking of audit findings, formulating recommendations, obtaining management's action plans and developing an engagement conclusion
- Performing external quality assessments (EQAs) – The board of directors must review EQA results, and the assessment team must include at least one individual with an active certified internal auditor (CIA) designation

Structure of standards into 5 domains containing principles and standards. The key domain for Audit Committee members is Domain 3.

Domain 1 – Purposes of internal auditing and adding value

Domain 2 - Ethics and professionalism -behavioural expectations.

Domain 3 – Governing the IA Function (Relationship between IA and Board (Committee) and responsibilities)

Domain 4 – Managing the IA function

Domain 5 – Performing IA services – expectation on engagement

Appendix E:



Newark and Sherwood District Council

Assurance Review of Business Continuity

November 2024

Final



Executive Summary

OVERALL ASSESSMENT







ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Risk in respect of Continuity in respect of Workforce Availability, IT Systems and Cybersecurity, Physical Infrastructure and Facility Risks, Supply Chain and Vendor Dependencies, Financial Risks and Resource Constraints, Emergency and Crisis Response Preparedness and Reputational and Public Relations Risks.



SCOPE

The audit assessed whether an effective continuous service process is in place to minimise the likelihood of service interruptions impacting upon key business functions and processes. Emergency Planning was not included as it was not seen to be part of Business Continuity.

KEY STRATEGIC FINDINGS

-  The Corporate Business Continuity Plan did not consider the revised Business Unit Business Impact Assessments.
-  Business Units Business Continuity Plans are not regularly tested based on risk and critical functions.
-  The Council has not implemented a formal process for regularly reporting updates on business continuity reviews, testing and lessons learned to the Senior Leadership Team.
-  The Corporate Business Continuity Plan (CBCP) and requires that it is tested on a regular basis, however, this had not been undertaken.

GOOD PRACTICE IDENTIFIED

-  Electronic copies of Business Continuity Plans are accessible by the Senior Leadership Team (SLT), Business Managers (BMs) and staff contacts. A copy is also held by Newark & Sherwood District Council's Public Protection Business Unit (CSBU).
-  All fifteen Business Units had updated their Business Continuity plans and Business Impact Plans for 24/25.

ACTION POINTS

Urgent	Important	Routine	Operational
1	3	2	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)
3	Directed	<p>The Business Continuity Plan (BCP) requires testing on a regular basis.</p> <p>The Business Manager (Public Protection) and Community Protection Manager (Public Protection) confirmed that there have been two localised scenario test exercises that have been conducted on the BCP. In addition, they were aware that as an organisation no specific exercise had been done for four years outside of ICT. This requirement was recorded on the operational risk as an action.</p>	A full phased testing programme approach be conducted relating to the Corporate Business Continuity Plan.	1	<p><i>As an authority we have experienced a number of incidents in the last 4 years that have had impacts on our Business Continuity. Covid, low level power disruption, low level supplier issues, flooding etc. Whilst these have not been planned formalised testing, real world testing to some areas has taken place.</i></p> <p><i>A testing programme will be drafted to set out a clearer structure for testing and this will be based on risk and our critical functions.</i></p>	31/03/2025	Business Manager – Public Protection
1	Directed	<p>Discussion with the Business Manager (Public Protection) and Community Protection Manager (Public Protection) and a review of various documentation confirmed that:</p> <ul style="list-style-type: none"> There is a Business Continuity Plan – formulated/documented in 2023 which is due to be reviewed September 2026. At present, there is no clear link between the Business Impact Assessments and Departmental Business Continuity Plan with the Business Continuity Plan at a Corporate Level and critical functions are not clearly identified or articulated. 	A Corporate Business Continuity Plan be considered to be developed to support the existing Business Unit BCPs. Business Units should revise the Business Impact Assessments (BIAs), review the council’s critical functions and assess their interdependencies across business units. In addition, critical functions require further defining to take account of critical times (for example payroll during payment runs, elections etc).	2	<p><i>As part of the Cyber Security exercise consideration on interdependencies between business units business plans and support services was discussed and it is important that these are reviewed. This may result in changes to the critical functions or business unit action plans. This work is being looked at alongside the work from the cyber security exercise being led by CIGG.</i></p>	31/03/2025	Business Manager Public Protection

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	Older Business Unit plans were submitted to Internal Audit in error rather than having been archived. Related Business Plans were not evidenced as having been regularly tested.	Business Unit Business Continuity Plans and Business Impact plans be maintained reviewed and archived appropriately. The Council ensure that the Business Units Business Continuity Plans are regularly tested based on risk and critical functions.	2	<i>We will review the current folder and ensure that it is up to date and any old versions are archived.</i>	31/12/24	Business Manager Public Protection
4	Directed	The Business Manager (Public Protection) and Community Protection Manager (Public Protection) confirmed that no monitoring reports are being documented/produced for the SLT with regards to Business Continuity.	A formal process be implemented for regularly reporting updates on business continuity reviews, testing and lessons learned to the Senior Leadership Team. In addition, there is a need to update on the various processes/assurance that make up the Business Continuity Plan such as the Business Impact Assessments and Business Unit Business Continuity Plan.	2	<i>This item will link together with item 1 related to a testing programme to ensure that feedback on testing and monitoring of progress is directly linked to ensure that SLT see a complete oversight and update.</i>	31/03/25	Business Manager Public Protection

PRIORITY GRADINGS

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

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Directed	<p>Business Unit Business Plans/Business Impact Assessments provided during the review did not clearly indicate when they were devised, when they were amended, summarise any amendments nor were they consistently presented.</p> <p>The ICT and Digital Services policy provided was created in 2019, and last updated 2022.</p> <p>The Finance Business Impact Analysis and Business Continuity Plan was unclear when it was created (the section was incomplete), the last version was saved in the current years' SharePoint folder, however, sections for version control were blank and there was a comment on the document from 2019.</p> <p>It was unclear when the Business Unit Service Specific BIA and BCP (Housing Strategy and Development Planning Policy, Tourism Town Centre) had been created but was stated as last revised in 2020.</p>	Dates for documentation such as Business Unit Business Plans be clearly displayed and the annex summarising when they were updated be completed filled, ensuring that outdated comments are removed. Any Business Unit BCPs that are no longer relevant as a result of internal restructuring for example, should be removed to prevent confusion.	3	<i>This action will be linked to item 2 to ensure that as part of the housekeeping review that each plan has the stated review dates included and any no longer required are removed.</i>	31/12/2024	Business Manager Public Protection
6	Directed	Training attendance was limited, and no effective training programme is in place.	A programme and schedule to support business continuity training be devised.	3	<i>Plans have already commenced as to the best way of providing training on Business Continuity to all staff at an appropriate level. Through the new Ambition Academy system, we will look to develop a suite of training that will enable basic training on for all new starters as part of the induction through to more detailed training for managers. These may be developed internally if a suitable existing package is not available on the new system.</i>	31/03/2025	Business Manager Public Protection

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.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	2,3,4,5 & 6	-

Other Findings



The Business Continuity Plan outlines the roles and responsibilities as follows:

Chief Executive - decide whether the Business Continuity Plan should be invoked and takes overall responsibility for ensuring that the aims of the plan are met.

Director Communities and Environment – is the Lead for Business Continuity Management.

Corporate Directors (SLT) - ensures that critical functions are identified and recorded through conducting a Business Impact Assessment and regularly reviews the Departmental Business Continuity Plans.

Emergency Management Team (EMT) - ensures that arrangements are put in place to enable the Council to continue delivering essential services and re-establish normal working in the shortest possible time.

The Business Manager (Corporate Property) - advise the Chief Executive of any incidents which will (or may) lead to Castle House or any other relevant building becoming wholly or partially unusable.



The IT system used to store information relating to Business Continuity is Resilience Direct. The Resilience Direct system is not linked to the Councils IT system and, therefore, accessible should the Councils IT system fail. Access to the Resilience Direct system is provided to the Senior Leadership Team, various Business Managers and some Admin where appropriate. Currently, the Emergency Planning Officer and Business Manager for Admin Services have administration rights to upload information. In addition, there is an offsite ICT recovery system in place with Rushcliffe.

Other Findings



There have been several Operational Risks identified in terms of Business Continuity, but no strategic risks have been identified. The Operational Risks were obtained, and it was noted that the following risk categories had been identified:

- Resourcing.
- Reputation.
- Expectations.
- Partners.
- Financial.
- Suitability of response.
- Service delivery.

The main controls identified to mitigate some of the risks were as follows:

- Availability of relevant Corporate Budget e.g. to support existing flood alleviation schemes.
- Scenario testing at least one exercise every two years.
- Attendance at the Local Resilience Forum.



The Business Continuity Plan states that 'The Emergency Management Team will assess what information may be released to the public. This information will be prepared and distributed via the Communications Team who will advise Customer Services and the media of the latest situation. The Communications Team will issue regular press releases and arrange media spokesperson as necessary)'. The Business Manager (Public Protection) confirmed that this will form part of the Corporate Business Continuity Plan, and though not explicitly stated anywhere at present, during the recent Cybersecurity exercise, it was clear that those involved would only liaise via the Communications team.



Electronic copies of the Business Continuity Plan are accessible by the Senior Leadership Team (SLT), Business Managers (BMs) and other staff listed on the emergency planning contact sheet. A copy is also held by Newark & Sherwood District Council's Public Protection Business Unit (PPBU).



Limited attendance in the business continuity training sessions has been observed, which may result in reduced awareness in this area. The Manager (Public Protection) was aware that specific training had not been delivered for some time. Previous face to face training sessions had been cancelled due to insufficient numbers. The team are in the process of reviewing emergency planning with training linked to that which will also include business continuity. The aim is to have eLearning packages available and face to face for specific training. Discussion with the Business Manager (Public Protection) and Community Protection Officer Manager (Public Protection) confirmed that there was no specific training programme relating to Business Continuity but one was in the process of being formulated/developed.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings



The Business Manager (Public Protection) and Community Protection Manager (Public Protection) confirmed that the Business Continuity Plan will be reviewed annually going forwards. In addition, the Business Unit Business Continuity Plans should be updated every two years while the Business Impact Assessments should be updated/reviewed every five years or sooner if there have been major service changes.

As part of the sample testing, the Business Unit Business Impact Assessment and Business Continuity Plan for the Finance and Housing Strategy and Development Planning Policy, Tourism Town Centre Development were reviewed, from the total Business Unit Business Continuity Plans and Business Impact Plans available. The following was noted:

- The Finance Business Unit Business Impact Assessment and Business Continuity Plan did not have any review dates though it was due to be reviewed annually and the Housing Strategy and Development Planning Policy, Tourism Town Centre had been documented in 2020. Further discussions with the Business Manager (Public Protection) and Community Protection Manager (Public Protection) confirmed that the Finance Business Unit Business Impact Plan and Business Continuity Plan had been updated for 2024/25 and that the Housing Strategy and Development Town centre had changed departments. These Business Unit plans should have been archived and not maintained on the relevant folder.
- The Business Unit Business Impact Assessments and Business Continuity Plan for Housing Strategy and Development Planning Policy, Tourism Town Centre Development included the following main aspects:
 - Document Control and Distribution.
 - Activation of the plan.
 - Identification of Critical Services.
 - Roles and Responsibilities.
 - Action Cards.

This forms part of the Business Unit Standard Business Continuity Plan template.

- The Business Unit Business Impact Assessment and Business Continuity Plan of the Finance Business Unit included the following main aspects:
 - Document Control and Distribution.
 - Activation of the plan.
 - Identification of Critical Services.
 - Roles and Responsibilities.
 - Action Cards.

This forms part of the Business Unit Standard Business Continuity Plan template to ensure consistency.

Other Findings



The Business Manager (Public Protection) and Community Protection Manager Officer (Public Protection) confirmed that no KPIs relating to Business Continuity have been formulated/developed.



Cyber Reaction Exercise

On 26th June 2024, the Local Government Association (LGA) facilitated a Business Continuity (BC) Exercise for Newark & Sherwood Council relating to a Cyber incident. Overall, Newark & Sherwood demonstrated effectiveness in responding to a cyber incident at the strategic level. However, plans require refining and there are considerations to be analysed which could improve the overall response. The most important of these are:

- The organisation's ability to detect and respond to incidents in a timely manner requires improvement. The exercise revealed that there are potential delays in reporting and escalating incidents, which can allow threats to escalate and cause greater disruption. The organisation must establish clear reporting procedures and ensure staff are aware of the importance of timely reporting.
- Business continuity and incident response plans need to be updated and more widely understood. The exercise highlighted that existing plans may not be readily accessible or fully understood by staff, and that specific plans for cyber incidents are lacking. Further work is required within service areas to prepare contingencies for medium-term disruption. The organisation must review and update these plans, ensuring they are simultaneously deliverable, comprehensive, accessible, and regularly communicated to all staff.
- Communication and awareness are critical in managing incidents effectively. The exercise revealed challenges in communicating with staff and the public during a crisis. The organisation must develop a robust set of crisis communication principles, and these should be recorded and embedded in the corporate business continuity plan, including a checklist for stakeholder notifications.

The lessons learned from the recent Cyber Reaction exercise have been communicated to the Senior Leadership Team and progress relating to the recommendations arising are being reviewed at the Corporate Information Governance Group.



The Business Manager (Public Protection) and Community Protection Manager Officer (Public Protection) confirmed that the process relating to Business Continuity is paperless with information being stored on the Resilience Direct system.

EXPLANATORY INFORMATION

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. 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. 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.

Effectiveness of Arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.

Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report:

Stage	Issued	Response Received
Audit Planning Memorandum:	15 th August 2024	15 th August 2024
Draft Report:	6 th November 2024	20 th November 2024
Final Report:	21 st November 2024	