

Enquiries to Committee Services
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Date: 31st October 2022

Our Ref: MM

Dear Sir/Madam,

A meeting of the **AUDIT & STANDARDS COMMITTEE** will be held in the Council Chamber, Town Hall, Nuneaton, on **Tuesday 8th November 2022** at **6.00pm**

Please note that meetings will be recorded for future publication on the Council's website.

Yours faithfully,

BRENT DAVIS
Chief Executive

To: All Members of the
Audit & Standards
Committee

Councillors R Baxter-Payne (Chair),
J. Sheppard (Vice-Chair), B. Beetham,
T. Cooper, L. Cvetkovic, L. Downs,
M. Green, J. Hartshorn, J. Kennaugh,
N. Phillips and R. Tromans.

A G E N D A

PART I - PUBLIC BUSINESS

1. ANNOUNCEMENTS

To advise the meeting participants of the procedure that will be followed by the Members of the committee.

A fire drill is not expected, so if the alarm sounds please evacuate the building quickly and calmly. Please use the stairs and do not use the lifts. Once out of the building, please gather outside Lloyds Bank on the opposite side of the road.

Exit by the door by which you entered the room or by the fire exits which are clearly indicated by the standard green fire exit signs.

If you need any assistance in evacuating the building, please make yourself known to a member of staff.

Please also make sure all your mobile phones are turned off or set to silent.

The meeting will be live streamed to YouTube and will be available to view via the NBBC website.

2. APOLOGIES - To receive apologies for absence from the meeting.

3. MINUTES – To confirm the minutes of the meeting of the Audit and Standards Committee held on 6th September 2022, attached (**Page 4**).

4. DECLARATIONS OF INTEREST

To receive declarations of Disclosable Pecuniary and Other Interests, in accordance with the Members' Code of Conduct.

Declaring interests at meetings

If there is any item of business to be discussed at the meeting in which you have a disclosable pecuniary interest or non-pecuniary interest (Other Interests), you must declare the interest appropriately at the start of the meeting or as soon as you become aware that you have an interest.

Arrangements have been made for interests that are declared regularly by members to be appended to the agenda (**Page 9**). Any interest noted in the Schedule at the back of the agenda papers will be deemed to have been declared and will be minuted as such by the Committee Services Officer. As a general rule, there will, therefore, be no need for those Members to declare those interests as set out in the schedule.

There are, however, TWO EXCEPTIONS to the general rule:

1. When the interest amounts to a Disclosable Pecuniary Interest that is engaged in connection with any item on the agenda and the member feels that the interest is such that they must leave the room. Prior to leaving the room, the member must inform the meeting that they are doing so, to ensure that it is recorded in the minutes.

2. Where a dispensation has been granted to vote and/or speak on an item where there is a Disclosable Pecuniary Interest, but it is not referred to in the Schedule (where for example, the dispensation was granted by the Monitoring Officer immediately prior to the meeting). The existence and nature of the

dispensation needs to be recorded in the minutes and will, therefore, have to be disclosed at an appropriate time to the meeting.

Note: Following the adoption of the new Code of Conduct, Members are reminded that they should declare the existence and nature of their personal interests at the commencement of the relevant item (or as soon as the interest becomes apparent). If that interest is a Disclosable Pecuniary or a Deemed Disclosable Pecuniary Interest, the Member must withdraw from the room.

Where a Member has a Disclosable Pecuniary Interest but has received a dispensation from Audit & Standards Committee, that Member may vote and/or speak on the matter (as the case may be) and must disclose the existence of the dispensation and any restrictions placed on it at the time the interest is declared.

Where a Member has a Deemed Disclosable Interest as defined in the Code of Conduct, the Member may address the meeting as a member of the public as set out in the Code.

Note: Council Procedure Rules require Members with Disclosable Pecuniary Interests to withdraw from the meeting unless a dispensation allows them to remain to vote and/or speak on the business giving rise to the interest.

Where a Member has a Deemed Disclosable Interest, the Council's Code of Conduct permits public speaking on the item, after which the Member is required by Council Procedure Rules to withdraw from the meeting.

5. PUBLIC CONSULTATION - Members of the Public will be given the opportunity to speak on specific agenda items or have their submitted statement read by an officer of the Council if notice has been received.
6. LOCAL GOVERNMENT OMBUDSMAN'S ANNUAL REPORT FOR YEAR ENDED 31ST MARCH 2021 TO 1ST APRIL 2022 – report of the Deputy Chief Executive and Director for Customer and Corporate Services **(Page 12)**.
7. INTERNAL AUDIT ANNUAL REPORT AND COUNTER FRAUD ACTIVITY 2021-22 - report of the Audit and Governance Manager **(Page 18)**.
8. INTERNAL AUDIT CHARTER – report of the Audit and Governance Manager **(Page 41)**.
9. REVIEW OF THE REGISTER OF MEMBERS' INTERESTS AND GIFT AND HOSPITALITY REGISTERS 2021-2022 – report of the Director for Planning and Regulation **(Page 50)**.
10. ANNUAL GOVERNANCE STATEMENT 2021/22 – report of the Director for Planning and Regulation **(Page 55)**.
11. ANY OTHER ITEMS - which in the opinion of the Chair should be discussed as a matter of urgency because of special circumstances (which must be specified).

NUNEATON AND BEDWORTH BOROUGH COUNCIL

AUDIT & STANDARDS COMMITTEE

6th September 2022

A meeting of the Audit & Standards Committee was held on Tuesday, 6th September 2022 in the Council Chamber, Town Hall, Nuneaton. The meeting was recorded and live streamed.

Present

Councillor R Baxter Payne – Chair

Councillors: B. Beetham, T. Cooper, L. Downs, M. Green, J. Kennaugh, N. Phillips, J Sheppard (Vice-Chair) R. Tromans and S. Harbison (substitution for Councillor J. Hartshorn).

Apologies: Councillors L. Cvetkovik and J. Hartshorn.

PART I – PUBLIC BUSINESS

ACS11 **Minutes**

RESOLVED that

- a) the minutes of the Audit and Standards Committee meeting held on 19th July 2022, be confirmed, and signed by the Chair; and
- b) the minutes of the Extraordinary Audit and Standards Committee meeting held on 8th August 2022, be confirmed, and signed by the Chair.

ACS12 **Declarations of Interest**

As a substitute Councillor for this meeting, the Declarations of Interest for Councillor S. Harbison were not detailed in the Schedule attached to the agenda.

RESOLVED that the declarations of interest are as set out in the Schedule attached to these minutes, with the addition of the Declarations of Interest for Councillor S. Harbison.

ACS13 **External Audit Plan 2021/22**

A report of the Director for Finance and Enterprise and the External Auditors was presented to the committee for consideration of the audit plan for the Statement of Accounts for 2021/22.

Speakers: Councillor K. Kondakor and Mr P. Smith.

RESOLVED that the report be noted.

ACS14 **External Audit Risk Assessment 2021/22**

A report of the Director for Finance and Enterprise and the External Auditors was presented to the committee for consideration of the external audit risk assessment for the 2021/22 Statement of Accounts.

Speakers: Councillor K. Kondakor and Mr P. Smith.

RESOLVED that the audit risks as detailed in Appendix 1 be approved.

ACS15 **Annual Report 2021/2022**

A report of the Director of Planning and Regulations was presented to the committee for approval of the Annual Standards Section Report 2021-22.

Speakers: Councillor K. Kondakor and Mr P. Smith.

RESOLVED that

- a) the draft 2021/2022 Annual report as set out in Appendix A be approved; and
- b) the report be published as indicated in the report.

ACS16 **Exclusion of the Public and Press**

RESOLVED that under section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the following item, it being likely that there would be disclosure of exempt information of the description specified in paragraph (i) and (ii) of Part I and II of Schedule 12A to the Act.

ACS17 **Complaints Against Members: 4th March 2022 to 19th August 2022**

A report of the Monitoring Officer was submitted to the committee to provide details of the complaints received from 4th March 2022 to 19th August 2022.

Speaker: Councillor K. Kondakor.

RESOLVED that the report be noted.

ACS18 **Investigation Report – Complaint 12/21**

A report of the Monitoring Officer was presented to the committee to review the Investigation Report into Complaint 12/21 attached at Appendix A to the report.

Speaker: Councillor K. Kondakor. Councillor K. Kondakor then left the meeting.

RESOLVED that

- a) the Investigating Officer's conclusion that there has been a breach of para 3 (a) of the 2012 Members' Code of Conduct be accepted;
- b) the Investigating Officer's conclusion that there has been no breach of para 5 of the 2012 Members' Code of Conduct be not accepted; and
- c) the complaint be referred to a hearing in connection with breaches of paragraphs 3(a) and 5 of the Members' Code of Conduct.

Chair _____

Audit and Standards Committee - Schedule of Declarations of Interests – 2022/2023

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	General dispensations granted to all members under s.33 of the Localism Act 2011			Granted to all members of the Council in the areas of: <ul style="list-style-type: none"> - Housing matters - Statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992 - An allowance, payment given to members - An indemnity given to members - Any ceremonial honour given to members - Setting council tax or a precept under the Local Government Finance Act 1992 - Planning and Licensing matters - Allotments - Local Enterprise Partnership
	R. Baxter-Payne (Chair)	Manager Brinklow Quarry Ltd, Brinklow; County Councillor - WCC	Spouse: Self-employed childminder Member of the following Outside Bodies: <ul style="list-style-type: none"> • West Midlands Combined Audit, Risk and Assurance Committee • Warwickshire Adult Social Care and Health Overview and Scrutiny Committee (substitute) 	
	B. Beetham	Employed at The George Eliot Hospital; Warwickshire County Council – Camp Hill	Member of the following Outside Bodies: <ul style="list-style-type: none"> • Camp Hill Urban Village: Pride in Camp Hill Board • Committee of Management of Hartshill and Nuneaton Recreation Ground 	
	T. Cooper	None	Member on the following Outside Bodies: <ul style="list-style-type: none"> • Camp Hill Urban Village: Pride in Camp Hill Board • Committee of Management of Hartshill and Nuneaton Recreation Ground 	
	L. Cvetkovic	Head of Geography	The Bulkington Volunteers	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
		(Teacher), Sidney Stringer Academy, Coventry	(Founder); Bulkington Sports and Social Club (Trustee) Member on the following Outside Bodies: <ul style="list-style-type: none"> • Building Control Partnership Steering Group 	
	L. Downs	River Bars Limited; Coventry Plus Beyond the Plane	Member on the following Outside Body: <ul style="list-style-type: none"> • Hammersley, Smith and Orton Charity 	
	M. Green	Employed by Horiba Mira – Calibration Technician	Chair of Education Standards Committee – St Thomas More School Executive Member – Nuneaton Conservatives. Secretary – St Vincent De Paul Society at Our Lady of the Angels Church. Our Lady of the Angels Church Member of the George Eliot Fellowship. Member on the following Outside Bodies: <ul style="list-style-type: none"> • Friendship Project for Children. 	
	J. Hartshorn	Employed by Nuneaton Library – Digital Inclusion – WCC (Senior Customer Service Assistant) COVID Community Testing – WCC – Team Leader (Casual)	Member of Nuneaton Conservatives	
	J. Kennaugh	County Councillor W.C.C. Employed by FedEx Express UK Limited.	Member of the W.C.C. Regulatory Committee Member of the Conservative Party Member of UNITE the Union Member on the following Outside Bodies: <ul style="list-style-type: none"> • EQUIP 	
	N. Phillips	Employee of DWP	Member of: <ul style="list-style-type: none"> • Nuneaton Labour CLP • The Fabian Society • The George Eliot Society • The PCS Union • Central Credit Union • Stockingford Sports and Allotment Club • Haunchwood Sports and Social Club 	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	J. Sheppard (Vice-Chair)		Partnership member of the Hill Top and Caldwell Big Local. Director of Wembrook Community Centre. Member of the Management Committee at the Mental Health Drop-in.	Dispensation to speak and vote on any matters of Borough Plan that relate to the Directorship of Wembrook Community Centre
	R. Tromans	RTC, Nuneaton AFL, Wellingborough	W.C.C. Warwick Member of the following Outside Bodies: <ul style="list-style-type: none"> • Nuneaton Neighbourhood Watch Committee Hospice Charity	

Audit and Standards Committee - Schedule of Declarations of Interests – 2022/2023

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	General dispensations granted to all members under s.33 of the Localism Act 2011			Granted to all members of the Council in the areas of: <ul style="list-style-type: none"> - Housing matters - Statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992 - An allowance, payment given to members - An indemnity given to members - Any ceremonial honour given to members - Setting council tax or a precept under the Local Government Finance Act 1992 - Planning and Licensing matters - Allotments - Local Enterprise Partnership
	R. Baxter-Payne (Chair)	Manager Brinklow Quarry Ltd, Brinklow; County Councillor - WCC	Spouse: Self-employed childminder Member of the following Outside Bodies: <ul style="list-style-type: none"> • West Midlands Combined Audit, Risk and Assurance Committee • Warwickshire Adult Social Care and Health Overview and Scrutiny Committee (substitute) 	
	B. Beetham	Employed at The George Eliot Hospital; Warwickshire County Council – Camp Hill	Member of the following Outside Bodies: <ul style="list-style-type: none"> • Camp Hill Urban Village: Pride in Camp Hill Board • Committee of Management of Hartshill and Nuneaton Recreation Ground 	
	T. Cooper	None	Member on the following Outside Bodies: <ul style="list-style-type: none"> • Camp Hill Urban Village: Pride in Camp Hill Board • Committee of Management of Hartshill and Nuneaton Recreation Ground 	
	L. Cvetkovic	Head of Geography	The Bulkington Volunteers	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
		(Teacher), Sidney Stringer Academy, Coventry	(Founder); Bulkington Sports and Social Club (Trustee) Member on the following Outside Bodies: <ul style="list-style-type: none"> • Building Control Partnership Steering Group 	
	L. Downs	River Bars Limited; Coventry Plus Beyond the Plane	Member on the following Outside Body: <ul style="list-style-type: none"> • Hammersley, Smith and Orton Charity 	
	M. Green	Employed by Horiba Mira – Calibration Technician	Chair of Education Standards Committee – St Thomas More School Executive Member – Nuneaton Conservatives. Secretary – St Vincent De Paul Society at Our Lady of the Angels Church. Our Lady of the Angels Church Member of the George Eliot Fellowship. Member of the Nuneaton Education Strategy Board Member on the following Outside Bodies: <ul style="list-style-type: none"> • Friendship Project for Children. 	
	J. Hartshorn	Employed by Asda Nuneaton	Member of Nuneaton Conservatives	
	J. Kennaugh	County Councillor W.C.C. Employed by FedEx Express UK Limited.	Member of the W.C.C. Regulatory Committee Member of the Conservative Party Member of UNITE the Union Member on the following Outside Bodies: <ul style="list-style-type: none"> • EQUIP 	
	N. Phillips	Employee of DWP	Member of: <ul style="list-style-type: none"> • Nuneaton Labour CLP • The Fabian Society • The George Eliot Society • The PCS Union • Central Credit Union • Stockingford Sports and Allotment Club • Haunchwood Sports and Social Club 	
	J. Sheppard (Vice-Chair)		Partnership member of the Hill Top and Caldwell Big Local. Director of Wembrook	Dispensation to speak and vote on any matters of Borough Plan that relate to the Directorship of Wembrook Community Centre

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
			Community Centre. Member of the Management Committee at the Mental Health Drop-in.	
	R. Tromans	RTC, Nuneaton AFL, Wellingborough	W.C.C. Warwick Member of the following Outside Bodies: <ul style="list-style-type: none"> • Nuneaton Neighbourhood Watch Committee Hospice Charity	

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee – 8th November 2022

From: Deputy Chief Executive and Director Customer and Corporate Services

Subject: Local Government Ombudsman’s Annual Report for year ended 31 March 2021 to April 1st, 2022,

1. Purpose of the Report

To provide the Audit and Standards Committee with the opportunity to comment upon the information received in the Local Government Ombudsman’s annual letter relating to complaints received about the Council and to comment on the Council’s performance in dealing with these complaints, for the year ended 1st April 2022

2. Recommendations

2.1 That the content of the report be noted.

3. What the Committee is being asked to consider?

3.1 Each year, the Local Government Ombudsman publishes an annual report for each Council detailing complaints received by them. The report is a summary and is attached at Appendix A.

4. Summary Of LGO Annual Report

4.1 For 2022/22 the Ombudsman reported that they made 21 decisions on complaints and enquiries about the Council and investigated 6. Out of the 6 investigations 3 were upheld and 3 were not held. They are categorised as per the Ombudsman’s Service description and may not relate directly to the Councils Service areas. In some cases, we will have signposted the Ombudsman to the correct administering body for the service although the complaint is still logged against this Council.

4.2 Ombudsman decisions

4.2.1 The table below details the Ombudsman's 21 referrals

Date	Decision	Subject	Commentary From LGO
22-Mar-2022	Closed after initial enquiries	Trees	We will not investigate this complaint about unsafe tree cutting work undertaken by the Council. This is because Mr B has not suffered an injustice and an investigation would not add to the Council's own investigation.
21-Mar-2022	Closed after initial enquiries	Trees	There is not enough evidence of fault by the Council in the timing of its tree works, or fault or sufficient injustice caused to Mr X by the works done, to warrant investigation.
11-Mar-2022	<u>Upheld</u>	Disabled facilities grant	We upheld part of Mr X's complaint about the Council's funding for a disabled facilities grant to adapt his home for his son. The Council failed to consider whether it should pay a discretionary grant towards the work. This created uncertainty for Mr X about whether more funding should have been available. The Council agreed to apologise and consider Mr X's request for discretionary funding.
22-Feb-2022	<u>Upheld</u>	Refuse and recycling	We found the Council was at fault as it did not collect Mr X's recycling bin in line with its published policy and it failed to properly investigate his complaint. We recommend the Council apologise to Mr X, make a payment for time and trouble, carry out a period of monitoring on his recycling collections and take action to improve its complaints investigations.
31-Jan-2022	Not upheld	Enforcement	Mr X complained about the Council's decisions relating to development on land next to his home. We ended our investigation as it is unlikely to result in a finding of fault or a remedy for Mr X.
27-Jan-2022	Closed after initial enquiries	Other	We will not investigate Mr X's complaint that the Council has refused to deal with his freedom of information requests. It is

			reasonable for him to go to the Information Commissioner.
26-Jan-2022	Not upheld	Cemeteries and crematoria	Mr B complains the Council has not properly responded to his complaints about antisocial behaviour, large gatherings, and breaches of regulations at a local cemetery. He says this causes distress to him and others when visiting. The Ombudsman does not find fault in how the Council responded the concerns raised.
25-Jan-2022	Closed after initial enquiries	Other	We will not investigate this complaint about the Council's failure to communicate with the complainant through the phone. There is not enough evidence of fault to warrant an investigation. Moreover, any injustice is not significant enough to justify our involvement.
18-Jan-2022	<u>Upheld</u>	Noise	Ms X complained about the Council's investigation into noise nuisance from a neighbour. She said the Council issued an abatement notice but failed to act quickly enough after the notice was breached, meaning it ran out of time to prosecute. The Ombudsman found the Council was at fault when it missed two deadlines to prosecute Ms X's neighbour.
18-Jan-2022	Not upheld	Disabled facilities grant	Ms X complains the Council has not dealt properly with disabled adaptations to her property. The Council was not at fault.
21-Dec-2021	Closed after initial enquiries	Other	We will not investigate this complaint about the Council's response to matters concerning lighting from Mr X's property and street lighting. This is because we are unlikely to find evidence of fault by the Council and because Mr X can contact the Information Commissioner with his concerns about a data breach.
22-Nov-2021	Closed after initial enquiries	Other	We will not investigate Mrs X's complaint about the Council's responses to her report of plants overgrowing a path on a local public space. Even if there was Council fault, there is not enough evidence of the matter causing Mrs X a significant personal injustice to warrant us investigating. We will not investigate Mrs X's complaint about the Council's internal complaint process in isolation, as we are not investigating the core issue which gave rise to the complaint.

10-Nov-2021	Closed after initial enquiries	Planning applications	We will not investigate this complaint about how the Council dealt with a planning application. This is because we are unlikely to find fault.
08-Nov-2021	Closed after initial enquiries	Cemeteries and crematoria	We will not investigate this complaint about the maintenance of a cemetery and damage to a grave. This is because there is insufficient evidence of fault on the Council's part causing injustice to warrant investigation.
12-Oct-2021	Closed after initial enquiries	Other	We will not investigate this complaint about the conduct of Council employees. This is because there is insufficient fault by the Council.
14-Sep-2021	Closed after initial enquiries	Refuse and recycling	We will not investigate this complaint about a missed garden waste collection because there is insufficient evidence of injustice.
02-Sep-2021	Closed after initial enquiries	Land	We will not investigate this complaint about the Council's refusal to sell land to the complainant. There is nothing to suggest fault by the Council. The courts are better placed to deal with alleged damage to the complainant's property.
19-Jul-2021	Closed after initial enquiries	Other	We will not investigate this complaint about how the Council publicised a planning application. This is because the complainant has not suffered any injustice because of the alleged fault.
24-Jun-2021	Closed after initial enquiries	Housing benefit and Council tax benefit	We cannot investigate this complaint about how much housing benefit the complainant receives from the Council. This is because the complainant has appealed against the Council's decision on his housing benefit entitlement. We will not look at issues relating to something the law says we cannot consider.
17-May-2021	Closed after initial enquiries	Councillors conduct and standards	The complainant says the Council dismissed his complaint about the conduct of several Councillors. We will not investigate this complaint. We have not seen evidence of fault in the way the Council made its decision.

19-Apr-2021	Closed after initial Enquires initial enquiries	Enforcement	Mr X complains about the Council's enforcement action against his property. We will not investigate this complaint because he will have a right of appeal to a Planning Inspector against an enforcement notice.
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5 Agreed actions taken because of the upheld cases

5.1

11-Mar-2022	<p>Within one month of the final decision, to remedy the injustice caused to Mr X, the Council will:</p> <ul style="list-style-type: none"> ○ apologise for failing to consider whether an additional discretionary grant should have been offered in this case. ○ invite Mr X to apply for additional discretionary funding for the original building works. The Council will consider Mr X's application, write to him with its decision and the reasons for it and send a copy to the Ombudsman. The application will be considered under the financial assistance policy which was in place at the time of Mr X's application for a disabled facilities grant.
22-Feb- 2022	<p>To remedy the outstanding injustice, we recommended the Council:</p> <p>Within one month:</p> <ul style="list-style-type: none"> ○ Provide Mr X with a written apology for failing to ensure his recycling was collected as it should have been, and for failing to properly investigate his complaint. ○ Pay Mr X £150 to recognise the time and trouble the Council's failure to properly investigate his complaint and put things right has caused him. ○ Begin three months of monitoring to ensure Mr X's recycling collections are taking place as scheduled. <p>Within three months:</p> <ul style="list-style-type: none"> ○ Identify why Mr X's complaint was not properly investigated at the outset, take action to prevent

	<p>any recurrence of this and inform us of any action taken.</p> <p>The Council has accepted our recommendations.</p>
18-Jan-2022	<p>Within four weeks of my final decision, the Council agreed to:</p> <ul style="list-style-type: none"> ○ Apologise to Ms X for missing deadlines resulting in the failure to prosecute her neighbour. ○ Pay Ms X the sum of £300 to recognise the distress, frustration, and uncertainty its faults caused. ○ Remind officers of the procedure for nuisance complaints, including when to complete witness statements and the time limit for prosecutions.

6. Service improvement

6.1 It is noted that more referrals and complaints were upheld in 2021/22 than 2020/21. Some of this increase is as result of the limited investigations undertaken in 2020/21 due to the Covid 19 impact.

6.2 However, it is recognised that each referral and particularly finding, against the Council, highlights a need to learn and develop services. As such we have introduced the additional measures to improve customer experience.

- A full time Customer Experience Officer is now in place (October 2021) and provides an internal check and challenge function to the Council. Dedicated 1 to 1 support provided by the Customer Experience Officer, with service areas that traditionally receive a lot of complaints.
- An internal review of our complaints process has been undertaken with better reporting to ensure that we better met our customer service level agreements. This has resulted in an average response time decreasing from 15 days to an average of 7. The SLA is 10 working days.
- The outcome of complaints now internally recorded and is reportable, to help identify any training needs or process changes.
- A final check process has been introduced for all stage 2 complaints (Sept 2022) to ensure that the Council has done all that it can do, to resolve a customer complaint. The Customer Experience Officer will also follow up with departments and the Customer to ensure that any service improvement is maintained.

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee – 8th November 2022

From: Head of Audit and Governance

Subject: Internal Audit Annual Report and Counter Fraud Activity 2021 - 22

1. Purpose of the Report

- 1.1 The purpose of this report is to present the Head of Audit and Governance Annual report, which includes:
- A statement on conformance with the Public Sector Internal Audit Standards (PSIAS);
 - The results of the quality assurance and improvement programme;
 - The Head of Audit and Governance opinion on the overall adequacy and effectiveness of NBBC's framework of governance, risk management and control; and
 - A summary of the work that supports that opinion.

2. Recommendations

- 2.1 To note the findings of an assessment of the internal audit function against the Public Sector Internal Audit Standards and quality assurance programme.
- 2.2 To consider the summary of internal audit work at Appendix A and B which supports the Head of Audit and Governance opinion.
- 2.3 That the Head of Audit and Governance overall opinion on the control environment be noted.

3. What is the Committee being asked to consider?

- 3.1 In relation to recommendation 2.1: -
- Is the Internal Audit section effective?
 - Does the section comply with the Public Sector Internal Audit Standards (PSIAS)?
 - Can the findings of the team be relied upon?
- 3.2 In relation to recommendation 2.2:
- Management of the Audit Plan during 2021-22;

- Any issues or questions arising from the summary of audit findings and any specific audits where the Committee would like a follow-up report from managers;

3.3 In relation to recommendation 2.3:

- The Head of Audit and Governance overall opinion of the control environment given the work completed and the outcome of specific audit reviews.

4. Background

4.1 The Public Sector Internal Audit Standards (PSIAS) came into force on the 1st April 2013 and were amended, with effect from 1st April 2017. The objectives of the PSIAS are to:

- Define the nature of internal auditing within the UK public sector;
- Set basic principles for carrying out internal audit in the UK public sector;
- Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations; and
- Establish the basis for the evaluation of internal audit performance and to drive improvement planning.

4.2 The Standards refer to the Chief Audit Executive (CAE), which at NBBC is the Head of Audit and Governance; all references to the board refer to the Audit and Standards Committee. The Standards require the CAE to present an annual report to the board which incorporates a statement on conformance with the PSIAS, an opinion on the Council's overall control environment and a summary of the work that has been completed to support that opinion.

5. Requirements of the PSIAS

5.1 The Standards are split into Attribute Standards and Performance Standards. The Attribute Standards address the characteristics of the organisation. The Performance Standards describe the nature of the internal audit activity and provide quality criteria against which performance can be evaluated.

Attribute Standards

1000 – Purpose, Authority and Responsibility

5.2 The purpose, authority and responsibility of internal audit must be formally defined in an internal audit charter. The charter is a formal document that establishes internal audit's position within the organisation, including the CAE's reporting relationship with the board; authorises access to records, personnel, and physical properties relevant to the performance of reviews

and defines the scope of internal audit activities. Final approval of the charter resides with the board.

1100 – Independence and Objectivity

- 5.3 Independence is the freedom from conditions that threaten the ability of the internal audit function to carry out its responsibilities in an unbiased manner. To achieve the degree of independence necessary to effectively carry out the responsibilities of the internal audit service, the CAE must have direct and unrestricted access to senior management and the board. The CAE is able to confirm that the NBBC internal audit service is organisationally independent.
- 5.4 Individual objectivity is achieved when internal auditors have an impartial, unbiased attitude and avoid any conflict of interest.
- 5.5 The Standards suggest that the board should have responsibility for the appointment and removal of the CAE and for approving the CAE's remuneration. However, it is recognised that in the UK public sector it would be unusual for the board to have such a role, although it may be the case if the internal audit function is supplied by contractors or a partnership.

1200 – Proficiency and Due Professional Care

- 5.6 Internal auditors must possess the knowledge, skills and other competencies needed to perform their individual responsibilities. The internal audit team collectively must possess or obtain the knowledge, skills and other competencies needed to perform its responsibilities. The CAE must hold a professional qualification and be suitably experienced. In addition, all internal auditors are encouraged to demonstrate their proficiency by obtaining appropriate professional qualifications.

1300 – Quality Assurance and Improvement Programme

- 5.7 The CAE must develop and maintain a quality assurance and improvement programme (QAIP) that covers all aspects of the internal audit activity. A QAIP is designed to enable an evaluation of internal audits conformance with the Standards and an evaluation of whether the auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of internal audit and identifies opportunities for improvement. The QAIP must include both internal and external assessments.

Performance Standards

- 5.8 The Performance Standards describe the nature of the internal audit services being provided and provide criteria against which the performance of an internal audit function can be measured.
- 5.9 The elements included within this section are:

- *2000 - Managing the internal audit activity* – the CAE must effectively manage the internal audit activity to ensure that it adds value to the organisation. The activity adds value when it considers strategies, objectives, and risks; strives to offer ways to enhance governance, risk management and control processes; and objectively provides relevant assurance.
- *2100 - Nature of the Work* – the internal audit activity must evaluate and contribute to the improvement of governance, risk management and control processes using a systematic, disciplined and risk-based approach. Internal audit credibility and value are enhanced when auditors are proactive, and their evaluations offer new insights and consider future impact.
- *2200 - Engagement Planning* – internal auditors must develop and document a plan for each engagement, including the engagement’s objectives, scope, timing, and resource allocations. The plan must consider the organisation’s strategies, objectives, and risks relevant to the engagement.
- *2300 - Performing the Engagement* – internal auditors must identify, analyse, evaluate, and document sufficient information to achieve the engagement’s objectives.
- *2400 - Communicating results* – communications must include the engagement’s objectives, scope, results, an appropriate conclusion, recommendations, and an action plan. Where appropriate, the internal auditors’ opinion should be provided, which must take account of the expectations of senior management and must be supported by sufficient, reliable, relevant, and useful information.
- *2500 - Monitoring progress* – The CAE must implement a follow up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.
- *2600 – Communicating the acceptance of risks* - If the CAE concludes that management has accepted a level of risk that may be unacceptable to the organisation, the CAE must discuss the matter with senior management. If the CAE determines that the matter has not been resolved, the CAE must communicate the matter to the board.

6. Conformance with the PSIAS

- 6.1 The PSIAS require an external assessment of the internal audit service at least once every 5 years; the last external assessment at NBBC was in 2019. This included an evaluation of core information as evidence; such as procedural notes and the audit manual, the internal audit charter, audit plans and Committee reports, example audit files and reports, and the latest annual report.
- 6.2 The review assessed the internal audit function against three recognisable standards:

- (i) Resources – Business vision and mission, governance arrangements, recognition of standards, guidance, procedures and supervision, terms of engagement, ethics, and business conduct;
- (ii) Competency – Charter, internal audit manual, planning and allocation of staffing, recruitment (numbers and skills), training (professional and technical), appraisal and development; and
- (iii) Delivery – Client engagement and relationships, directed led service, terms of engagement (audit/assignment brief), discussion of assurance and advisory opinions, reporting at assignment and strategic levels.

6.3 The overall conclusion of the review was that internal audit complies with the PSIAS and continues to provide an effective and efficient service to Nuneaton and Bedworth Borough Council. There were some actions identified by the external assessor which would enhance service provision, which do not affect the overall level of compliance with the PSIAS but do ensure internal audit continues to develop and demonstrate best practice and these have now been addressed.

7. Quality Assurance Improvement Programme

7.1 The internal audit quality assurance programme includes reviews of the files by the Head of Audit and Governance before draft reports are issued and approval of the audit brief and audit programme before any work is completed. However, in the Head of Audit and Governance's absence this process has been undertaken by the Interim Manager and Internal Auditor. Performance is also monitored in quantitative and qualitative terms using the following factors:

- Proportion of planned audits completed in the year;
- Extent to which management adopt Internal Audit recommendations; and
- Feedback from managers on the value and performance of the audit.

7.2 Five special projects were added later to the approved Audit Plan 2021/22 at the request of the Audit and Standards Committee (ASC). Management Team (MT) and the Chair of the ASC were consulted on the need to revise the 2021- 22 Audit Plan to accommodate the extra work, and it was agreed that three audits from the original Plan (i.e., Emergency Planning, Health and Safety (exc. Asbestos Management and Fire Risk Management), and Resource Management) should be deferred to 2022 - 23.

7.3 The additional projects and resource issues experienced by the Internal Audit team by the absence of the Head of Audit and Governance in the 2nd half of the year impacted on the team's ability to fully deliver the Plan. Consequently, five audits were outstanding at year end (excluding the three agreed deferred audits and one other project (Water Bodies) which also had to be deferred as the new system was not fully in place to enable a meaningful review to be undertaken). Based on the adjusted figure the Internal Audit team completed approximately 79% of the 2021- 22 Plan. This is a good achievement given the difficulties in term of resources; the on-

going impact of Covid-19 on many services, and the majority of staff were working from home, which made it more difficult and time consuming to obtain information to complete audit reviews.

- 7.3 Client questionnaires are issued to all managers with the final report, to establish the effectiveness of the review. The majority of managers who responded felt that a good or very good performance had been achieved in respect of planning the audit, the quality of the report and recommendations made, the timing of the review, the standard of communication and the professionalism of the auditors. Managers also confirmed that the implementation of the recommendations made would lead to improvements in performance.

8. Opinion on the adequacy of the Council's control environment and a Summary of the work supporting that opinion

- 8.2 Seventeen operational audit reviews (including the five special projects) were completed during the year and sixteen opinions given (no opinion was given for one audit as the work involved data collation only). Of the sixteen, twelve (75%) were considered to be satisfactory or better (compared to 82% in the 2020 - 21). Also, eleven follow-up reviews were completed, and 79 of the 87 recommendations checked had either been fully implemented or were in progress, which equates to approximately 91% (compared to 97% in 2020 – 21). The assurance level for ten of the eleven follow up audits remained as or was revised to satisfactory or significant with one remaining limited.
- 8.3 Based upon the results of the work undertaken during the year I can give satisfactory assurance on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.
- 8.4 A summary of the findings of the audit reviews is at Appendix A to this report, but it must be noted that this is a snapshot of the situation at the time of the audit and procedures may well have changed since then if agreed recommendations have been actioned. A summary of the follow-up reviews is at Appendix B.
- 8.5 There are 2 tables at the end of Appendix A, which provide Members with additional information around audit opinions and recommendations.
- 8.6 The first table demonstrates how the auditor concluded what the appropriate overall audit opinion should be. At the outset of every audit the risks to the system or process and the key controls used to mitigate those risks are established. On completion of the audit work an audit opinion is given on each of the key controls and this information is then used to establish what the overall opinion should be. For example, ten key controls were identified in the Cemeteries Service and Crematorium Income system, we gave significant assurance for three of them, satisfactory for one and

limited or no assurance for six. The overall opinion given was therefore limited.

- 8.7 The second table shows the number of recommendations made and the priority that was given them. So again, with the Cemeteries Service and Crematorium Income system, nine recommendations were made, and of these three were priority 1, five priority 2 and one priority 4. It is more difficult to correlate the number and priority of recommendations to assurance levels because we often have multiple recommendations against the same key control. For example, all nine of the cemeteries and crematorium recommendations were in relation to only seven of the ten key controls, and the overall assurance level needs to consider all findings.

Counter Fraud Activity 2021 – 22

- 8.8 The current Counter Fraud Officer has been employed by the Council since June 2018, this is a shared role with North Warwickshire Borough Council (NWBC); the Officer spends 60% of his time investigating fraud allegations at NBBC and 40% at NWBC.
- 8.9 From 1st April 2021 to 31st March 2022, at NBBC the Officer has completed 263 investigations and has identified cashable savings to the public purse of approximately £336,938.12, and notional savings of approximately £1,536,888.07. Notional savings are the estimated future savings to the public purse as a result of the intervention and successful fraud investigation. For example, it is assumed that had it not been for the investigation a housing benefit claim would have continued to be paid at the higher rate for at least 21 weeks. The notional saving calculations are in line with those used by the Cabinet Office for their data matching exercise, the National Fraud Initiative, which is conducted to assist in the prevention and detection of fraud with data being provided by some 1,200 organisations from both the public and private sectors, NBBC being one of them.

LINDA DOWNES
SOPHIE PAVIER-SMITH

Summary of Internal Audit Findings

Reviews Brought Forward from 2020 - 21

1. COVID-19 Discretionary Grants to Business

Our overall audit opinion is '**Satisfactory Assurance**'. The key findings were as follows: -

- (i) A review of a sample of Round 2 grant awards identified two Additional Restrictions Grant applications where the applicant had failed to provide details of their unavoidable fixed costs, and one Wet Led Pub application where the application was submitted outside of the specified deadline (31/01/21), and also the applicant had not clearly declared that less than 50% of income comes from food sales.
- (ii) Although diary notes state that compliance checks have been completed, there was no actual evidence on the system to confirm that the check was fully completed with all queries being adequately resolved
- (iii) Though the applications for the Business Recovery Grants have been correctly assessed and are supported by a robust audit trail, the post assurance checks to confirm that the grant has been utilised as intended had not been conducted as the process had not been fully finalised.
- (iv) Ten duplicate awards were made amounting to approximately £76K and these were all in the process of being recovered.

2. Post Project Implementation Review (PIR)

Our overall audit opinion is '**Limited Assurance**'. The key findings were as follow: -

- (i) The final Business Case could not be located for four of the five projects reviewed.
- (ii) The Corporate Asset Management Team (CAMT) had not been formally briefed where the projects' key milestones (e.g., budget, delivery timescale etc.) were unlikely to be achieved, on three of the five projects reviewed
- (iii) Three of the five projects were not completed within the approved budget either because the estimated costs used were unrealistic or there were changes in the specification during the project.
- (iv) Post project briefing had not been completed for three of the five cases at the time of testing, and in one case a project briefing note was completed approximately five months prior to the completion of the project and a further update had not been taken to CAMT at the time of testing.

2021 -22 Audit Plan

1. Asbestos Management

Our overall audit opinion is '**Significant**' assurance. This outcome is positive in terms of how "minor" occurrences are dealt with and confidence that there would be no catastrophic response should a "major" incident arise. The findings were as follows:

- (i) A Business Case is being developed to consider the potential for cost savings should the Council have its own small team of "Category B" trained tradespersons.
- (ii) Maximum benefit from the audit testing process could be gained by providing feedback to all employees in the Property Services Section.
- (iii) Audit discussions revealed that tradespersons may be tempted to clean expensive power tools that may have been contaminated by asbestos particles following an incident, rather than leave the item(s) to be safely disposed of by the asbestos contractor. This is because the cost of replacement is the tradesperson's responsibility. The Corporate Asbestos Policy, November 2018 (or the Corporate Asbestos Procedures Manual 2019) does not specifically reference the process for contaminated tools disposal /replacement responsibility and there is no specific budget for it.

2. CCTV

Our overall audit opinion is '**Satisfactory**' assurance. The key findings were as follows:

- (i) The CCTV Code of Practice (CoP) and Procedure Manual (PM) May 21 were out of date, as they did not reflect the current roles and responsibilities for the scheme.
- (ii) A key arrangement (implemented in June 21) for CCTV engineers/contractors to gain access to the Control Room to carry out equipment maintenance and repairs is not compliant with the Surveillance Camera Code of Practice as these visits were 'unsupervised' and could potentially impact on the security of the system.
- (iii) A review of the Control Room visitor log for Q4 – 2020/21 & July 21 showed that internal policy and procedures were not being complied with on some occasions. For example, in Q4 2020/21 18 of 54 (33%) visitors to the Control Room did not sign out, and in July 21 it was 4 out of 20 (20%).
- (iv) Reviews of the Police Reviewing log for Q4 2020/21 and a sample of the Digital Image Viewing (DIV) request forms showed that the procedures outlined in the PM Appendix A had not been adhered to on some occasions, because the request forms were not always fully completed.
- (v) The effectiveness of the Control Room system was difficult to establish as the faults and rectifications data is not recorded in real-time because of changes in CCTV coverage and working patterns.
- (vi) There was no evidence to confirm that the Equipment Servicing & maintenance contract was being effectively monitored

- (vii) All the CCTV controllers, except the newest member of staff, had received the relevant industry-related training and were licensed. However, their corporate mandatory training courses had expired, for example equality and diversity, health and safety and lone working.
- (viii) The Security Systems and Alarms Inspection Board re-certification audit completed in August 21 highlighted three 'Opportunities for Improvement', and these still needed to be considered
- (ix) Currently, the peripheral CCTV schemes (i.e., Waste fleet smart cameras and fly-tipping cameras) were not covered by the Council's CCTV CoP or PM.
- (x) The Council had not published the appropriate privacy notice for the use of the waste fleet, fly-tipping and environmental enforcement devices/CCTV schemes.

3. Cemeteries and Crematorium

Our overall audit opinion is '**Limited**' assurance. The key findings were as follows:

- (i) An external firm had been commissioned to digitize the cemetery plans, to enable them to assimilate into the EPITAPH cemeteries database and be archived to its cloud memory. A first draft of the plans had been developed; however, some details on the burial plot sizes required clarification before being progressed to the next stage.
- (ii) Due to the above inaccuracies, the integrity of data that was being used to report on plot reservations/usage, including the calculation of remaining capacity of full burial plots cannot be relied upon.
- (iii) Our audit testing identified some missing data on the plot records relating to reservations and repurchases, for example the plot number. Therefore, there is uncertainty over the accuracy and completeness of the data held on the new system, and whether the data from the previous database EPILOGUE has been effectively migrated over to EPITAPH prior to going live.
- (iv) Reliance continued to be placed on the EPILOGUE system for any missing data in EPITAPH. However, the old system is only accessible on a standalone computer situated at the Cemetery Office in the Town Hall, and its software is also not supported by the Council IT Team. Therefore, there is a potential risk of data loss through system malfunction/data corruption, and or the Town Hall being rendered out of use in the event of a major disaster incident.
- (v) Historic cemetery records are held in the paper book ledgers and had not been digitalised, so there are risks in relation to the access to and or safe retention/preservation of these cemetery records.
- (vi) No evidence was made available to confirm that a robust programme of Memorial safety checks was in place and is effectively being carried out under the Grounds Maintenance contract.
- (vii) The Council had still not identified potential cemetery land for Nuneaton to meet future needs.
- (viii) Reconciliation of the crematorium income highlighted that our lessees Dignity, made two overpayments of £5k each in respect of the annual ground rent relating to Year 2014/15 and 2015/16. The error was informed

to Dignity at the time and one overpayment was recouped by them in 2016/17. However, there was uncertainty as to whether the other overpayment was corrected by Dignity as their Financial Accounts Statement for 2017/18 could not be located.

- (ix) Although a £5k repayment may be due by Dignity from the Council, we noted that in line with the lease agreement, the Council should be receiving market rent income from March 2020 onwards. It is understood that last year, the Head of Estates estimated a rent value of £145k per annum to enable Finance to account for an income reserve, as the formal valuation remains pending with the District Valuer.
- (x) Invoices have continued to be raised for £1,250 per quarter, and therefore the annual rent yield was still only £5k rather than the estimated market value.
- (xi) The Finance Business Partner (FBP) for Parks & Open Spaces suggested that an invoice is raised 'on account' for a larger sum to Dignity until such time as the actual market rent value is determined. The Director for Public Services is in agreement with this proposal; however, the matter remains unresolved.

4. Community Centres

Our overall audit opinion was '**Satisfactory Assurance**'. The key findings were as follows: -

- (i) The total annual net expenditure of operating the three centres is substantial so management are in the process of looking at more cost-effective ways of providing the service.
- (ii) The financial statements in relation to Newtown Community Centre (NCC) for the last five years have not been obtained from the Warwickshire Community and Voluntary Action (WCAVA), to assess whether any additional income (50:50 net profit sharing) was due to the Council.
- (iii) Some of the costs (e.g., water bills, building insurance etc.) that WCAVA is responsible for under the terms of the lease had not been recharged by the Council for the last three years (2018/19, 2019/20 and 2020/21).

5. Community Group Funding (in the last 10 years)

Our overall audit opinion was '**Limited Assurance**'. The key findings were as follows:

- (i) There was no valid/current Service Level Agreement (SLA) in place between the Council and Bulkington Village Centre (BVC) or between the Council and Stockingford Community Centre (SCC) for 2019/20, 2020/21, and 2021/22.
- (ii) The Council had been providing grant funding to SCC, BVC and the Nuneaton Harriers Community Association (NHCA) Ltd. for a number of years. However, the trading accounts and audited financial statements were not always obtained and reviewed and cash asset values taken into consideration prior to making the award decision each year.

- (iii) A grant was awarded to BVC, which is a privately run centre, there may be other privately run centres within the Borough, but these had not been given the opportunity to bid for a grant.
- (iv) There was no current Member approval for the funding provided to BVC, SCC and NHCA.
- (v) The BVC's, SCC's and NHCA's performance statistics, audited accounts and trading statements were not routinely reviewed to ensure compliance with the grant terms and conditions. However, we appreciate that the Covid-19 pandemic, the subsequent lockdowns and social distancing rules and regulations had greatly impacted on this process.
- (vi) A loan of £5,560 was made by the Council in 2020/21 to NHCA Limited to assist them in buying their own grounds maintenance equipment, on a 5-year repayment term. However, the repayments received in each financial year were incorrectly treated as they had been coded to the grant funding code.
- (vii) Warwickshire Community and Voluntary Action (WCAVA) – the same issue highlighted as in (iv) above, in that no current Member approval has been sought for the funding awarded.

6. Compensation Payments & Compromised Agreements (for the last ten years)

There was no overall audit opinion given on this project, as the work mainly involved collating the data and establishing the rationale of the payments made in the period from 2012 -13 to 2021/22.

7. Data Quality

The overall audit opinion is '**Limited Assurance**'. Of the nine indicators examined, the following four (44%) highlighted data quality issues with reference to base data (compared to 33% error rate in the previous year): -

- (i) Planning permissions for affordable homes
- (ii) The percentage of household waste composted
- (iii) The removal of private sector housing property hazards; and
- (iv) The percentage of non-domestic rates collected

In addition, a further four indicators were identified as having data quality issues:

- (v) Percentage of household waste recycled
- (vi) Percentage of household waste recycled and composted
- (vii) Kg of waste per household; and
- (viii) Collection of council tax

All the errors identified were adjusted during the audit process and there was very little impact on the published data.

8. Delegated Authority Procedure

Our overall audit opinion was ‘**Satisfactory**’ assurance. The key findings were as follows: -

- (i) The Constitution was out of date at the time testing. However, it is acknowledged that this document was revised and published on the Council’s website on 14/09/2021.
- (ii) Six of the seven Officer Scheme of Delegations (OSD’s) were out of date.
- (iii) Only one out of seven OSD’s was held by the Monitoring Officer (MO), which is in breach of the Scheme of Delegation (SD) and relevant regulations, which require all such schemes to be held by the MO and made available at all times for public inspection.
- (iv) Delegated Authority (DA) powers that no longer existed were relied upon in 2 of the 70 ODA decisions reviewed.
- (v) The DA power reference (Part 3E. 1e) used in one decision did not appear to be relevant to the subject matter of the decision.
- (vi) All 70 ODA decision forms were appropriately completed by the relevant Officers; however, seven (10%) were not held by Committee Services Team; therefore, they were not published on the Council’s website.
- (vii) Consultation with relevant Elected Member(s) did not appear to have been undertaken in three (4%) cases, as there was no detail of this recorded on each of the decision forms; and
- (viii) Three of fourteen ODA decisions exercised under special urgency decisions and the Executive Directors’ emergency powers had not been reported to the next meeting of the Cabinet or Council as required by the OSD, although in one case, it was recorded on the decision form that the relevant Elected Members and Borough Council had been consulted in the decision-making process.

9. Land Charges

Our overall audit opinion was ‘**Satisfactory**’ assurance. The key findings were as follows: -

- (i) There were no procedure guides in place for staff to follow when processing land charge searches and maintaining the Local Land Charges (LLC) Register, though we were able to locate some notes (on Content Manager (CM)) on how to answer CON29 and LLC1 queries, the service manager and LLC staff were not aware that these existed.
- (ii) Due to the current workload and staffing resources within BST generally, eleven of fifteen search applications received during 2020/21 remained on the LLC network and had not been transferred onto Content Manager and linked to the relevant Flare records.
- (iii) Though there was evidence to show that the fee had been received in all fifteen search applications reviewed, due to limited information on the General Ledger text, we were unable to confirm that the income received had been posted to the correct code in four cases.
- (iv) The LLC income due was not being reconciled to the income received as recorded in the General Ledger.

- (v) The bulk of CON29 fee income VAT was treated as ‘Outside of Scope’ rather than ‘Standard Rated’, there was evidence to show that a bulk VAT adjustment was made in year 2017/18, on a gross income of £78,446 (£7,511 VAT).
- (vi) Fees being charged were generating a profit which is in breach of the regulations.
- (vii) The Council had not published an annual statement of total costs, income and number of requests processed, as required by legislation introduced in 2010.
- (viii) The link provided on the LLC service webpage was to the out-of-date Fees and Charges schedule (2019/20), and the information on how the LLC fees are calculated was also out of date as it is referring to the 2019/20 costs.

10. Legionella

Our overall audit opinion was ‘**Satisfactory**’ assurance. The key findings were as follows: -

- (i) Some of the improvement opportunities raised in the external review completed by Gallagher Bassett Ltd (Risk Consultant) in 2019/20 had not been addressed; particularly in relation to the updating of the policy, and training for the designated roles and relevant staff.
- (ii) The water management services (WMS) contract expired in 2020 but could not be retendered due to the Covid-19 pandemic and subsequent restrictions. A decision was taken to defer the tender process but a formal written exemption from the Council’s Contract Procedure Rules was not obtained.

11. Mobile Phones

Our overall audit opinion was ‘**Satisfactory**’ assurance. The key findings were as follows: -

- (i) Audit testing showed slight variances between the asset information recorded in the mobile phone inventory systems (Vivantio and Intune).
- (ii) There was no effective monitoring arrangement in place on sim card use as no usage reports had been provided to Service Managers to review the usage and costs incurred by their staff, it is therefore difficult to determine whether the current contract provides adequate value for money.
- (iii) Our review of the itemised call reports highlighted three calls that had been made to a premium competition line resulting in extra bill charges being incurred. The value per transaction involved was low, i.e., £3.71; £3.58; and £2.14, but managers were not aware of these because of the lack of adequate monitoring reports.
- (iv) The ICT Code of Conduct for Employees does not clearly outline that any costs incurred due to personal use may be recouped by the Council. Also, the policy has not been reviewed since 2017.

12. Notices Issued to Residents (in the last 2 years)

Our overall audit opinion was '**Significant**' assurance. Generally, controls are sound and operating effectively, and there were no major issues identified.

13. Section 106 Monies (Planning Obligations)

Our overall audit opinion was '**Satisfactory**' assurance. The key findings were as follows: -

- (i) 2 of the 42 s106 agreements (including Deeds of Variation's) signed by the Council and developers in the past five years (31/04/2017 to 31/10/2021) were not recorded on the s106 Monitoring spreadsheet.
- (ii) There were no formal documented procedures available to assist the relevant staff (especially new starters) on how to operate and administer the s106 monitoring system.
- (iii) Currently, the Planning service does not utilise a digital solution for the monitoring of s106 agreements, they rely on manually completed spreadsheets. Therefore, the system was not as effective as it could be, and susceptible to error, omission, and data corruption.
- (iv) The monitoring of s106 agreements was carried out on an ad-hoc basis; therefore, there is a risk of some trigger points being missed and obligations due not collected on a timely basis.
- (v) The dates that key trigger points were hit were not recorded on the s106 Monitoring spreadsheet in all cases.
- (vi) There were seven s106 developments which were either completed or near completion but were waiting for the Certificate of Practical Completion (CPC) and Certificate of Final Completion (CFC) to be issued and relevant conditions to be discharged before the Leisure and Open Space contributions could be released to the Council.
- (vii) Five (50%) of the ten invoices reviewed were incorrectly charged as the relevant indexation uplift was not applied as provided under each of the signed s106 agreements. All five invoices related to 2017/18. Further testing (of large receipts only) showed that this issue also affected one other invoice issued by NBBC in 2018/19. Therefore, the Council has been under-collecting on some s106 receipts.
- (viii) The Council had not published the S106 agreements online as recommended by the Community Infrastructure Levy (CIL) regulations, following the requirement to publish the Infrastructure Funding Statement (IFS) annually from 2019 onwards.
- (ix) Although s106 agreements had been scanned and stored on Content Manager (CM) as part of the planning application file upload, they were not easily identifiable because the document title did not contain the name of the development or location for easy identification.

14. Street Naming and Numbering (SNN)

Our overall audit opinion was '**Satisfactory**' assurance. The key findings were as follows: -

- (i) One of nine completed applications examined was decided outside the decision target by 1 week;
- (ii) Four of the fifteen service requests reviewed appeared unlikely to become an SNN application in the near future, and although in some cases the Team had sent one or two reminders to the property owner/developer asking them to submit a SNN application no response had been received. The service requests had not been closed down; therefore, the cases were still showing as live on Flare.
- (iii) The SNN income due was not being reconciled to the income received as recorded in the General Ledger; and
- (iv) Fees being charged were generating a profit which is in breach of the regulations.

15. Transport (Driver Licence Checks)

Our overall audit opinion is '**Significant Assurance**'. The process for checking driver licences was shown to be effective and no major issues identified.

Summary of Key Control Assurance Levels (Table 1)

System	Key Control Assurance Levels				Overall Opinion
	Significant	Satisfactory	Limited	No Assurance	
Asbestos Management	2	0	0	0	Significant
CCTV	3	4	2	0	Satisfactory
Cemeteries and Crematorium	3	1	3	3	Limited
Community Centres	1	3	1	0	Satisfactory
Community Groups Funding (in the past 10 years)	0	4	5	0	Limited
Compensation Payments & Compromised Agreements	N/A	N/A	N/A	N/A	No opinion given (as not applicable)
COVID-19 Discretionary Grants to Business	0	2	0	0	Satisfactory
Data Quality	Not specified (Based on the error rate of 44%)				Limited
Delegated Authority Procedure	1	3	2	0	Satisfactory
Land Charges	0	4	2	0	Satisfactory
Legionella	2	1	1	0	Satisfactory
Mobile Phones	1	2	2	0	Satisfactory
Notices Issued to Residents (in the last 2 years)	N/A	N/A	N/A	N/A	Significant
Post Project Implementation Review (PPIR)	0	4	3	0	Limited
Section 106 Monies (Planning Obligations)	2	3	1	0	Satisfactory
Street Naming and Numbering	3	3	0	0	Satisfactory
Transport (Driver Licence Checks)	1	0	0	0	Significant
TOTAL (78)	19	34	22	3	

Summary of Recommendations Made (Table 2)

System	Assurance Level	Recommendation Priority				
		1	2	3	4	5
Asbestos Management	Significant	0	1	2	0	0
CCTV	Satisfactory	0	6	6	0	0
Cemeteries and Crematorium	Limited	3	5	0	1	0
Community Centres	Satisfactory	0	3	0	0	0
Community Groups Funding (in the past 10 years)	Limited	0	5	3	0	0
Compensation Payments & Compromised Agreements	Not applicable (N/A)	0	0	0	0	0
COVID-19 Discretionary Grants to Business	Satisfactory	0	4	0	0	0
Data Quality	Limited	0	0	0	0	0
Delegated Authority Procedure	Satisfactory	0	2	2	0	0
Land Charges	Satisfactory	0	4	4	0	0
Legionella	Satisfactory	0	3	1	0	0
Mobile Phones	Satisfactory	0	2	3	0	0
Notices Issued to Residents (in the last 2 years)	Significant	0	0	0	0	0
Post Project Implementation Review (PPIR)	Limited	0	3	2	1	0
Section 106 Monies (Planning Obligations)	Satisfactory	0	6	3	0	0
Street Naming and Numbering	Satisfactory	0	1	2	0	0
Transport (Driver Licence Checks)	Significant	0	0	0	0	0
TOTAL RECOMMENDATIONS (78)	3 x Significant 9 x Satisfactory 4 x Limited 1 x N/A	3	45	28	2	0

Definitions of Assurance Levels and Recommendation Priorities

Assurance Level	Definition
Significant	There is a sound system of internal control that is being consistently applied
Satisfactory	There is basically a sound system of internal control but there are some minor weaknesses and/or evidence of non-compliance that may put some minor system objectives at risk.
Limited	There are some weaknesses in the adequacy of the internal control system and/or the level of non-compliance puts some of the system objectives at risk.
No Assurance	Control is weak leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

Priority	Definition
1	Priority 1: Serious weakness in the design of controls or consistent non-compliance with controls that could lead to a significant loss or damage to the Authority's assets, information or reputation that requires immediate action.
2	Priority 2: Fundamental weakness in the design of controls or consistent non-compliance with controls that could lead to a significant loss or damage to the Authority's assets, information or reputation.
3	Priority 3: Weakness in the design of controls or inconsistency in compliance with controls that could cause limited loss of assets or information or adverse publicity or embarrassment.
4	Priority 4: Minor weakness in the design of controls or inconsistency in compliance with controls that could result in inefficiencies
5	Priority 5: Recommended best practice only.

Summary of Follow-up Reviews

1. Building Cleaning

One recommendation was made, and this had been addressed. Our overall audit opinion was therefore revised from '**Satisfactory**' to '**Significant Assurance**'.

2. COVID-19 – Discretionary Grants to Businesses

Of the four recommendations made, one had been addressed, two were in progress, and one required no further action. Our overall audit opinion remains unchanged, as '**Satisfactory Assurance**'.

3. Equality

Of the seventeen recommendations made, five had been actioned, seven in progress, three no action required, and two outstanding. The two outstanding recommendations were: -

- (i) A web page to provide guidance to members of the public to report any discrimination incidents, as well as helpful links to other organisations that can assist in such cases had not been developed. (Priority 4)
- (ii) A process had not been agreed with Democratic Services for informal committee reports to be sent for evaluation by the Equalities Officer to ensure that all equality issues had been highlighted to enable Elected Members to make clear informed decisions. (Priority 2)

As 53% of the issues were still not fully completed, our overall audit opinion remains unchanged, as '**Limited Assurance**'.

4. Fixed Assets

Of the three recommendations made, one had been actioned, one was in progress and one outstanding. The outstanding recommendation was: -

- (i) The Capital Asset Management Strategy had not been updated to reflect the current arrangements and responsibility for the Strategy and Asset Management Plan had not been clarified and formalised within the Strategy. (Priority 2)

Our overall audit opinion at this stage remains unchanged, as '**Satisfactory Assurance**'.

5. Fire Risk Management

Of the eleven recommendations made, ten had been addressed and one was in progress. Our overall audit opinion therefore was revised from '**Limited**' to '**Satisfactory Assurance**'.

6. Housing Benefits

Of the four recommendations made, three had been addressed and one was in progress. Our overall audit opinion therefore remains unchanged, as '**Satisfactory Assurance**'.

7. Open Space

Of the ten recommendations made, nine were either completed or in progress, and one outstanding. The outstanding recommendation related to: -

- (i) The two site quality assessment spreadsheets had not been reviewed to identify and correct any anomalies. We also recommended that the data is amalgamated into one document to avoid duplication and stored in Content Manager for ease of access. (Priority 3)

Our overall audit opinion therefore remains unchanged, as '**Satisfactory**'.

8. Planning

Of the ten recommendations made, nine had been addressed or were on-going, and no further action required for one issue raised. Our overall audit opinion therefore has been revised from '**Satisfactory**' to '**Significant Assurance**'.

9. Pollution Control

Of the thirteen recommendations made, nine had been addressed, one no further action required, and three outstanding. The outstanding recommendations related to: -

- (i) During the determination of a Part B permit application, it was found that the installation also required a Part A2 permit. Given the time since the application was received and the fact that the additional information is still outstanding, a decision is still required as to whether the application should be returned as not 'duly made' and refund the fee. (Priority 2)

- (ii) Electronic records had not been purged to ensure that the data is not retained any longer than is necessary (Priority 3)
- (iii) Authorisation to deviations from the Charging Scheme conditions of payment are still not being formally obtained and recorded (Priority 3)

Our overall audit opinion therefore remains unchanged as '**Satisfactory Assurance**'.

10. Post Project Implementation Review (PIR)

Of the six recommendations made, four were addressed, one was noted for future reference, and one partially completed. Our overall audit opinion has therefore been revised from '**Limited**' to '**Satisfactory Assurance**'.

11. Safeguarding

Of the eight recommendations made, six were in progress, one partially completed and one outstanding. The outstanding recommendation related to:

-

- (i) A review of the Safeguarding Adult Referrals spreadsheet showed that there were records on there that go as far back as 2012, therefore the spreadsheet still needs to be reviewed to ensure that data is not retained any longer than is necessary. (Priority 3)

Our overall audit opinion remains unchanged as '**Satisfactory Assurance**'.

Assurance Level	Definition
Significant	There is a sound system of internal controls that are being consistently applied
Satisfactory	There is basically a sound system of internal controls although there are some minor weaknesses and/or there is evidence that the level of non-compliance may put some minor system objectives at risk.
Limited	There are some weaknesses in the adequacy of the internal control system and/or the level of non-compliance puts some of the system objectives at risk.
No Assurance	Control is weak leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

Summary of Follow up Reviews

Subject	Original Number Recommendations	Outstanding Recommendations	Priority (P) of Outstanding Recommendations	Revised Assurance Level
Building Cleaning	1	0	0	Significant
COVID-19 – Discretionary Grants to Businesses	4	0	0	Satisfactory (unchanged)
Equality	17	2	P2 = 1 P4 = 1	Limited (unchanged)_
Fixed Assets	3	1	P2 = 1	Satisfactory (unchanged)
Fire Risk Management	11	0	0	Satisfactory
Housing Benefits	4	0	0	Satisfactory (unchanged)
Open Space	10	1	P3 = 1	Satisfactory (unchanged)
Planning	10	0	0	Significant
Pollution Control	13	3	P2 = 1 P3 = 2	Satisfactory (unchanged)
PPIR	6	0	0	Satisfactory
Safeguarding	8	1	P3 = 1	Satisfactory (unchanged)
Totals	87	8 (10%)	P2 = 3 P3 = 4 P4 = 1	

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee – 8th November 2022

From: Director for Finance and Enterprise and Head of Audit and Governance

Subject: Internal Audit Charter

1. Purpose of the Report

- 1.1 The purpose of this report is for the Committee to consider and approve the Internal Audit Charter.

2. Recommendations

- 2.1 That the Internal Audit Charter at Appendix A to this report be approved.

3. What the Committee is being asked to consider?

- 3.1 That the Internal Audit Charter at Appendix A complies with the requirements of the Public Sector Internal Audit Standards (PSIAS).

4. Background

- 4.1 The PSIAS describe the internal audit charter as a formal document that defines the internal audit activity's purpose, authority, and responsibility. The internal audit charter establishes the internal audit activity's position within the organisation, including the nature of the chief audit executive's functional reporting relationship with the board; authorises access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.
- 4.2 For the public sector, the PSIAS also requires that the internal audit charter must:
- define the terms 'board' and 'senior management' for the purposes of internal audit activity;
 - cover the arrangements for appropriate resourcing;
 - define the role of internal audit in any fraud-related work; and
 - describe safeguards to limit independence or objectivity if internal audit or the chief audit executive undertakes non-audit activities.

- 4.3 The internal audit charter at Appendix A was first drafted in 2013 when the PSIAS came into force and has been updated on several occasions since then to ensure ongoing compliance with the standards and to ensure that it accurately reflects the Council's internal procedures. There are no proposed changes to the current charter, other than the one that relates to the Head of Audit and Governance direct reporting line (paragraph 6.1 and elsewhere in the Charter where this reference is made) which is now to the Director for Finance and Enterprise (previously to the Director for Customer and Corporate Services).

VICTORIA SUMMERFIELD
LINDA DOWNES

Nuneaton and Bedworth Borough Council

Internal Audit Charter

1. Introduction

- 1.1 The Internal Audit Charter is a mandatory requirement of the Public Sector Internal Audit Standards (PSIAS) and the associated Local Government Application Note. The PSIAS also includes a code of ethics which all internal auditors in UK public sector organisations must conform to. The PSIAS apply to all internal audit service providers, whether in-house, shared services or outsourced.
- 1.2 The Charter is a formal document that defines Nuneaton and Bedworth Borough Council's internal audit's purpose, authority, and responsibility. The Charter establishes internal audit's position within the organisation; authorises access to records, personnel, and physical properties relevant to performance of engagements; and defines the scope of internal audit activities.
- 1.3 The Charter must also:
- Define the terms "Board" and senior management for the purposes of internal audit activity;
 - Cover the arrangements for appropriate resourcing;
 - Define the role of internal audit in any fraud related work; and
 - Include arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities.
- 1.4 The Head of Audit and Governance will review the Charter annually and any necessary amendments will be endorsed and approved by the Audit and Standards Committee, who fulfil the role of the Board which has responsibility for final approval of the Charter as per the PSIAS. (see paragraph 3.2 below)

2. Statutory Requirements

- 2.1 The requirement for an internal audit function is contained in the Accounts and Audit (England) Regulations 2015, which require the Council to:

"Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance".

3. Definitions

- 3.1 The PSIAS define internal audit as:

"an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It

helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

3.2 The PSIAS define the ‘Board’ as:

“the highest level of governing body charged with the responsibility to direct and/or oversee the activities and management of the organisation. Typically, this includes an independent group of directors (e.g., a board of directors, a supervisory board or board of governors or trustees). If such a group does not exist, the “board” may refer to the head of the organisation, “board” may also refer to an audit committee to which the governing body has delegated certain functions”.

The role of the board as outlined above will be fulfilled by the Audit and Standards Committee.

3.3 The role of senior management is fulfilled by the Council’s Management Team, which comprises the Chief Executive and all Directors. The role of the Chief Audit Executive will be fulfilled by the Head of Audit and Governance, who has responsibility for effectively managing the internal audit activity in accordance with the Charter, definition of internal audit, the code of ethics and the standards.

4. Scope and Responsibility

Assurance Activities

4.1 The internal audit service is responsible for providing assurance in accordance with all relevant professional standards and guidance across the authorities entire control environment and across all activities, including:

- Services provided on behalf of other organisations by the Council; and
- Services provided by other organisations on behalf of the Council.

Advisory Activities

4.2 The internal audit service will advise on proposed changes and the controls to be incorporated into new and revised systems but the final decision on whether to accept the audit advice rests with the relevant manager. The provision of such advice does not prejudice the service’s right to evaluate the established systems at a later date.

Consultancy Services

- 4.3 At the request of management, the internal audit service shall undertake consultancy work designed to improve the effectiveness of risk management, control, and governance processes, subject to the availability of the right skills and experience.

Fraud

- 4.4 Managing the risk of fraud and corruption is the responsibility of management. Audit procedures alone, even when performed with due professional care, cannot guarantee that fraud and corruption will be detected. Internal auditors should, however, be alert to risks and exposures that could allow fraud or corruption to occur.
- 4.5 The Head of Audit and Governance must be notified of any suspected irregularity so that processes and procedures can be reviewed to prevent any further irregularities occurring. The relevant Director, in consultation with the Chief Finance Officer, will appoint an investigating officer. This will normally be the Head of Audit and Governance, particularly if the allegation is of a serious nature or if there is some form of financial irregularity.

5. Authority and Rights of Access

- 5.1 Internal auditors shall have full, free, and unrestricted access to all services and functions, premises, assets, employees, elected members, suppliers and contractors, records, and other documentation that the Head of Audit and Governance considers necessary to enable the internal audit service to fulfil its responsibilities. Auditors also have authority to access all relevant computer data as part of their work, including that registered under the Data Protection Act.
- 5.2 Internal audit is authorised to obtain the information and explanations they consider necessary from any employees, partners, or agents of the Council to fulfil their objectives and responsibilities. Managers must ensure that internal audit access is considered when preparing partnership agreements or contracts for the purchase or supply of goods and services.
- 5.3 The Head of Audit and Governance has the right of direct access to the Head of Paid Service, the Monitoring Officer, the section 151 Officer, Elected Members, the Chair of the Audit and Standards Committee, Directors, and Senior Managers.
- 5.4 All records, documentation, and information accessed in the course of undertaking internal audit activities shall be used solely for that purpose. The Head of Audit and Governance and individual audit staff, including contractors and external service providers

performing work on behalf of internal audit, are responsible and accountable for maintaining the confidentiality of the information they receive during the course of their work.

6. Independence and Objectivity

- 6.1 The internal audit service is managed by the Head of Audit and Governance who is professionally qualified as required by the PSIAS. The Head of Audit and Governance direct reporting line is to the Director for Finance and Enterprise and also provides reports to the Audit and Standards Committee, which has responsibility for overseeing audit arrangements.
- 6.2 Independence is essential to the effectiveness of the internal audit service; so, it will remain free from interference in all regards. This shall include, but not be limited to, matters of audit selection, scope, procedure, frequency, timing, or report content.
- 6.3 Internal auditors must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. They must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming a judgement.
- 6.4 The internal audit service is free to plan, undertake and report on its work, as the Head of Audit and Governance deems appropriate, in consultation with the Management Team and Senior Managers.
- 6.5 Directors and Senior Managers are fully responsible for the quality of the internal control environment within their area of responsibility. They should ensure that appropriate and adequate controls exist without depending upon internal audit activity.
- 6.6 The Head of Audit and Governance has executive responsibility for insurance, risk management, performance management, equalities, safeguarding, corporate fraud and corporate governance. Any audits relating to these functions shall be overseen by the Director for Finance and Enterprise to ensure that the internal auditors remain independent and objective in forming opinions and judgments in these areas.

7. Audit and Standards Committee

- 7.1 The Council is responsible for maintaining an Audit and Standards Committee which complies with all relevant guidance. The Committee's responsibilities include:
- approving the internal audit charter;

- monitoring and reviewing the effectiveness of the internal audit function;
- agreeing the internal audit work programme and the adequacy of its resources and access to information to enable the service to perform effectively and in accordance with the relevant professional standards;
- considering the Head of Audit and Governance annual report and opinion, and summary of internal audit activity and the level of assurance it can give over the Council's corporate governance arrangements;
- reviewing and monitoring management's responsiveness to the findings and recommendations of the internal auditor; and
- reviewing the Audit and Standards Committee's own performance, constitution, and terms of reference to ensure that it is operating effectively.

8. Standards

8.1 The internal audit service operates in accordance with best practice and guidance in the PSIAS. All internal auditors are required to comply with the standards, all relevant ethical and technical standards issued by their professional bodies and with all relevant codes of conduct issued by the Council.

8.2 Internal auditors are expected to:

- Exercise due professional care based upon appropriate experience, training, ability, integrity, and objectivity;
- Maintain and keep up to date their professional knowledge and skills and to participate in any continuing professional development scheme (CPD) operated by their professional body;
- Participate in the Council's personal development scheme;
- Comply with the Council's rules relating to the declaration of interests; and
- Obtain and record sufficient audit evidence to support their findings and recommendations.

8.3 The internal audit service will safeguard the information obtained in carrying out its duties. Information obtained shall not be disclosed unless there is a legal or professional requirement to do so, or used for personal gain.

9. Planning

9.1 Internal audit work is planned in order to establish priorities, achieve objectives, and ensure the efficient and effective use of audit resources. The objective of the internal audit plan is to enable the Head of Audit and Governance to provide an annual opinion

regarding the effectiveness of the Council's arrangements for risk management, governance, and control.

- 9.2 The Head of Audit and Governance produces an annual audit plan in consultation with the Management Team and Senior Managers, taking into account the key risks to the Council. The plan is endorsed by the Management Team and approved by the Audit and Standards Committee. It is the responsibility of the Management Team to ensure that the budget and resources allocated to internal audit are sufficient to enable the plan to be delivered.
- 9.3 Seven days' notice will normally be given to the relevant manager of the start of an audit; however, the internal audit service reserves the right for unannounced visits if the Head of Audit and Governance considers it necessary. Terms of reference are prepared for each assignment, and these shall be discussed and agreed with the relevant manager before the work is started. Internal auditors shall minimise any disruption to the smooth running of the service whilst it is under review.

10. Reporting

- 10.1 Significant audit findings are reported to the relevant manager in writing. The reports include an opinion on the adequacy of controls in the area reviewed, make recommendations for improvement, specify the officer responsible for implementing the recommendation and the implementation deadline. Opinions on individual assignments feed into the Head of Audit and Governance overall opinion given in the annual report to the Audit and Standards Committee.
- 10.2 Reports will be agreed with the relevant manager and the final agreed report will be copied to the relevant Director and Senior Manager, and the Director for Finance and Enterprise. The Chief Finance Officer (at NBBC this is the Director for Finance and Enterprise) will be copied in on all reports identifying significant financial issues. Reports that give a 'Limited Assurance' opinion on the control environment will be submitted to Management Team to monitor and review and ensure that appropriate action is taken to improve controls.
- 10.3 The Head of Audit and Governance submits regular reports to the Audit and Standards Committee summarising the results of audit reviews and progress in implementing audit recommendations. An annual report is provided given an overall opinion on the Authority's control environment relating to risk management, governance, and control, which feeds into the annual review of the effectiveness of the Authority's governance arrangements and the Annual Governance Statement.

11. Co-operation

- 11.1 The Head of Audit and Governance will work in partnership with the Council's external auditor and other services on such matters as control, corporate governance, contracting, data protection and risk management.
- 11.2 Where services are provided by or to other organisations the Head of Audit and Governance is authorised to agree the responsibility for internal audit of those services with the internal audit of those organisations and to share relevant information. Managers setting up a shared service or partnership must consider the requirement for internal audit and include appropriate access rights in any agreement.
- 11.3 It is the responsibility of every manager to be open, frank, and honest at all times about any risks, concerns or problems that may exist.

12. Quality Assurance and Improvement Programme

- 12.1 The Head of Audit and Governance manages a quality assurance programme to ensure that internal audit work complies with professional standards and achieves its objectives. The Head of Audit and Governance shall review the programme annually and report the outcomes in the Head of Audit and Governance annual report to support performance and inform planning and resources of the next year's internal audit plan.
- 12.2 The quality assurance programme includes:
- Suitable guidance, support, and review of all internal audit work;
 - Seeking feedback from line managers on the quality of internal audit work and professionalism of the auditor; and
 - Regular internal and external assessments of the effectiveness of the service in accordance with the PSIAS.

Linda Downes
Head of Audit and Governance
(Updated by: Sophie Pavier-Smith (Internal Auditor))

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee – 8 November 2022

From: Director – Planning and Regulation

Subject: Review of the Register of Members' Interests and Gifts and Hospitality Registers 2021- 2022

1. Purpose of Report

1.1 To review the registration of Members' Interests and, Gifts and Hospitality by Members and Officers for the period 21st October 2021 – 13th October 2022.

2. Recommendation

2.1 That the contents of the register of Members' Interests between 21st October 2021 and 13th October 2022 be considered; and

2.2 That the contents of the registers of Gifts and Hospitality for Members and Officers between 21st October 2021 and 13th October 2022 , as set out in Appendix A, be considered.

3. Background

Members' Interests

3.1 The Localism Act 2011 ('the Act') introduced "Disclosable Pecuniary Interests" (DPIs) which Members are required to disclose either in advance or at a meeting where that interest is engaged.

3.2 In order to comply with the Act and the Council's Code of Conduct, the Monitoring Officer is required to prepare and maintain a register of Member's interests, which must be available for public inspection and available on the Council's website. Hard copies of the current Register of Interests will be available at the meeting for inspection by the Committee. The Committee is asked to consider whether there are any recommendations it wishes to make in connection with the Register or highlight any concerns.

Gifts and Hospitality

3.3 In line with the recommendations from the Committee on Standards in Public Life and as a matter of best practice, the Council maintains a register of gifts and hospitality. The Committee on Standards in Public Life recommend that this be reviewed by the Audit & Standards Committee at least once a year to consider whether there are any issues or recommendations on best practice. Similarly, Officers are required to make declarations under the Local Government Act 1972.

- 3.4 Provision for the annual review of the registration of Members' Interests and Gifts and Hospitality by members and officers, was made in the Committee work plan for 2021 - 2022.

4. Information

Members' Interests

- 4.1 The Council complies with the Act by maintaining a register of interests. The register is available on the Council's website and for inspection at the Town Hall, Nuneaton on request. The On-line version does not however replace the paper version of the Members Register of Interests held by the Monitoring Officer.

Gifts and Hospitality

- 4.1.1 The Gifts and Hospitality register for Officers and Members are kept at the Town Hall, Nuneaton and are available for public inspection on request. The Gifts and Hospitality registers are also published in typewritten format on the Council's website, achieving greater transparency and public accountability.
- 4.5 Appendix A attached to this report, shows the register of Gifts and Hospitality of Members and Officers between 21st October 2021 – 13th October 2022.
- 4.6 Committee is asked to review the register and to consider whether there are any issues that need addressing. One key issue would be whether the committee felt that there were omissions from the register. These may be difficult to identify, although some members may be aware of events that officers and members have attended in some capacity, which ought to be recorded.
- 4.7 As a matter of good practice, it is also recommended that the Director- Planning & Regulation write to all Members and Officers to remind them of the importance of keeping the registers up to date and accurate. This is seen as a benchmark of openness and transparency and ensures that the public can have confidence in the Council's Governance arrangements.

PHILIP RICHARDSON

Nuneaton & Bedworth Borough Council							APPENDIX A
Register of gifts and hospitality - officers and members							
Date informed of gift or hospitality	Date gift or hospitality received	Recipient	Person or company offering gift or hospitality	Brief details of gift or hospitality	Approximate value of gift or hospitality	Reason for accepting gift or hospitality	Has this been received before
24/12/2020	21/12/2020	Elaine Newborough, Lesley Rowland-Jones, Sarah Richardson - Admin/Cemeteries/Parks & rec	J. E. Hacketts	One bottle of wine each, small box of chocolates and company named diary	Three separate gifts of £10 each (approx)	Thank you	Yes
23/12/2020	23/12/2020	Lorraine Allen - Markets and Town Centre	Les Peacock	Bottle of Prosecco	£10 approx	Christmas	No
20/04/2021	20/04/2021	Clare Leeson	Daniel Stanock	Flowers and card	£15 approx	Helping a friend with their homeless application	No
28/08/2021	28/08/2021	Councillor R. Tromans	The Egg Free Cake Box Store	A cake	Not known,	Donated for the Mayor's Appeal	No
06/12/2021	06/12/2021	Mayor's Appeal	Merrick Lodge Hotel	M & S Hamper	Estimated £150	Donated for the Mayor's Appeal	No
13/12/2021	13/12/2021	Ray Hurley	Keith Bates	Bottle of chardonnay	£7	Helping to tidy up with litter and fly tipping complaint	No
15/12/2021	15/12/2021	Tom Shardlow	IDP/EXI	Complimentary three course meal whilst watching a game of rugby in Coventry including overnight stay or taxi home	£250	DECLINED sa it could not easily be given to charity or alternative - former employer completed a number of projects with this supplier - NBBC are considering this supplier as potential future supplier and as such a conflict situation could arise. They have been thanked for the offer but respectfully asked not to send further hospitality offers.	No
21/12/2021	21/12/2021	Melanie Salt	Margaret Cattell	Small box of chocolates	£5	Christmas	No
23/12/2021	23/12/2021	Elaine Newborough	J. E. Hackett & Sons	Bottle of rose Prosecco	£10	Wishing a merry Christmas	No
23/12/2021	23/12/2021	Leoni Russ	J. E. Hackett & Sons Funeral Directors	Bottle of Prosecco and a 2022 diary	£10	Christmas gift from Funeral Director worked closely with during the year when they made bookings for burials etc.	No

23/12/2021	23/12/2021	Lesley Rowland-Jones	J E Hacketts	Prosecco	£10	Have worked during a challenging year with funeral director	Yes
19/01/2022	21/01/2022	Tom Shardlow	Whitestone GP Surgery	Light lunch during a lunch time meeting	£10	Meeting with Dr Simon of the surgery in relation to the Community Centre in Stockingford. Dr Simon offered a light lunch.	No
21/02/2022	18/02/2022	Kevin Hollis	Fosse Contractors	Umbrella	£10	Event at Miners' Welfare Park to open newly rebranded netball/tennis courts and provided an umbrella.	No
14/06/2022	11/06/2022	Councillor Sue Markham	Laidi Bassou	290g box of Hero's chocolates and a Moroccan wall plate	£10	I have helped him with several different problems and despite my refusal to accept, he insisted that I accept them.	No.
16/08/2022	13/08/2022	Councillor Michael Green	Nuneaton Borough FC - Dan Aitchison (Commercial Manager)	An invitation to a Nuneaton Borough football game with a pre-match meal and snacks at half time.	£30	Supporting sport in our local community and an important institution of the town.	No
16/03/2022	16/03/2022	Rachael Dobson and Jade Fuller	Bristow and Sutor	Paid fees to attend the CIVEA conference in London.	£800	Attendance to conferences is part of the EA contract in 2019. Where we could connect with other Local Authorities and all Enforcement Agencies to learn alternative processes and understand how others are dealing with items that relate to both NBBC and NWBC.	No.
04/08/2022	04/10/2022	Revenue and Benefits Managers/Team Leaders	Bristow and Sutor	Pay fees to attend the IRRV Annual conference	£1,200	As part of the EA contract we attend the annual IRRV conference to undertake training and updates from other Authorities and best practise ideas for us to be able to bring into our areas of NWBC and NBBC	No
17/08/2022	13/08/2022	Councillor Kristofer Wilson	Nuneaton Borough Football Club	Match day ticket and meal for first match of the football season.	£35		

31/08/2022	17/08/2022	Kevin Hollis	Imagineer/Artichoke - Coventry	A1 sized individually signed print of the Miners' Welfare Park Sanctuary structure, signed by David Best - American artist who designed and delivered the structure and event.	Not known. (Signed print Limited Edition)	NBBC supported the delivery of the Sanctuary Event with organisers, gift received to mark the occasion and future memorial gift. Provide to Mayor as gift for Borough to mark the occasion.	No.
22/09/2022	22/09/2022	Katie Memetovic-Bye	North West Leicester Council/Everyone Active	Buffet lunch and one coffee.	£5	Site visits and tour of new Leisure Sites/meeting with North West Council Officers	No
27/09/2022	18/08/2022	Councillor Joy Coventry-Moreton	Mrs Lesley Taylor (resident)	Bunch of flowers	£3	Assisted the family regarding a damaged grave in Bedworth cemetery. A local builder repaired two graves free of charge when he heard the story. The family gave a small bunch of flowers and insisted the builder (Mr Christopher Coventry of Newdigate Builders) give £20 from them to the workman to have a drink on the family.	No
30/09/2022	22/09/2022	Councillor S. Markham	Everyone Active	Cold buffet lunch and coffee	£5	Visit to new leisure facility which extended over the lunchtime period.	No

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee – 8th November 2022

From: Director – Planning & Regulation

Subject: Annual Governance Statement 2021-2022

1. Purpose of the Report

- 1.1 To present the findings of an assessment of Nuneaton and Bedworth Borough Council's corporate governance framework as presented in the Annual Governance Statement.

2. Recommendations

- 2.1 To consider the findings of the review of corporate governance and internal control as set out in the Annual Governance Statement (AGS) at Appendix A to this report.
- 2.2 The AGS be approved subject to 2.1 above.

3. What is the Committee being asked to consider?

- 3.1 The key points to consider are:
- Do the processes described within the AGS adequately reflect the effectiveness of the Council's governance framework?
 - Is the proposed action plan for 2022-23 complete and fit for purpose?

4. Annual Governance Statement

- 4.1 The production of an AGS is a statutory requirement for local authorities. Regulation 6 of the Accounts and Audit (England) Regulations 2015 states that every financial year a local authority must conduct a review of the system of internal control and prepare an AGS. The AGS must accompany the Statement of Accounts and, as best practice, it should normally be approved at the same time as, but no later than, the Statement of Accounts.
- 5.2 The AGS must meet the requirements of the revised 2016 Good Governance Framework. The Framework states that the AGS should be prepared in order for the local authority to report publicly on the extent to which it has complied with its own code of governance, including how it has monitored and evaluated the effectiveness of the governance arrangements in the year, and on any planned changes in the coming year. The process of preparing the

AGS should itself add value to the effectiveness of the corporate governance and internal control framework.

5.3 The AGS should include:

- An acknowledgment of responsibility for ensuring that there is a sound system of governance, incorporating the system of internal control, and reference to the Council's code of governance;
- Reference to and assessment of the effectiveness of the key elements of the governance framework and the role of those responsible for the development and maintenance of the governance environment, such as the Management team, the Audit & Standards Committee, Internal Audit and others as appropriate;
- An opinion on the level of assurance that the governance arrangements can provide and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework;
- An action plan showing actions taken, or proposed, to deal with significant governance issues; reference to how issues raised in the previous year's annual governance statement have been resolved; and
- A conclusion.

5.4 Evidence sources for collating the AGS were as follows:

- Consultation with Management Team;
- Assurances provided by Directors through the completion of Assurance Statements;
- Consultation with the Leader of the Council;
- Work undertaken by internal audit and other inspection regimes;
- Taking account of the Recommendations from the LGA Peer Review; and
- Review of progress against the previous year's AGS action plan

5.5 As part of the review, no significant governance issues have been identified, but an action plan has been included within the AGS covering the areas for improvement.

PHILIP RICHARDSON

Annual Governance Statement

Nuneaton and Bedworth Borough Council

ANNUAL GOVERNANCE STATEMENT
For the period 1st April 2021 to 31st March 2022

Scope of responsibility

Nuneaton and Bedworth Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively. In discharging this responsibility, Councillors and Senior Officers are responsible for putting in place proper arrangements for the governance of Nuneaton and Bedworth Borough Council's affairs and for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

To this end, Nuneaton and Bedworth Borough Council has approved and adopted a local code of corporate governance, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives and Senior Managers (CIPFA/SOLACE) joint framework for delivering good governance in local government. CIPFA issued an update to the Framework in 2016, which has informed the preparation of the Annual Governance Statement (AGS) from 2016/17 onwards. A copy of the local code can be found on the Council's website.

This statement explains how Nuneaton and Bedworth Borough Council has complied with the local code and also meets the requirements of regulation 6 of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement.

The purpose of the governance framework

The governance framework comprises the systems and processes for the direction and control of the Authority and its activities through which it accounts to, engages with, and leads the community. It enables the Authority to monitor the achievements of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Nuneaton and Bedworth Borough Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically.

The governance framework has been in place at Nuneaton and Bedworth Borough Council for the year ended 31st March 2022 and up to the date of approval of the Annual Report and Statement of Accounts.

Impact of the Covid-19 Pandemic on the governance arrangements

The Council has faced continued challenges during 2021/22, particularly in respect to the ongoing effects of the COVID-19 pandemic. The pandemic has resulted in changes to working practices (e.g., agile and remote working etc.) which have required a greater degree of flexibility and risk-based decision making at certain levels in the authority.

The national and international public health emergency caused by the COVID-19 pandemic have led to significant impacts for the Council. These have included implications for provision of services, our workforce and our financial position. Effective leadership and governance of the response and recovery have been critical.

The pandemic has provided reassurance over our resilience, governance, and decision-making arrangements as we have been able to maintain and deliver most of our services in this challenging environment, adapting our methods of working and decision-making as necessary. Legislation to allow authorities to conduct the majority of its meetings and take decisions in ways other than in person expired on 6 May 2021, and Cabinet, Council, and Audit and Standards Committee meetings returned to being held face-

to-face, where possible. The Council recognises the benefits that virtual meetings provided, particularly around accessibility for stakeholders and members of the public, and hybrid meetings are now facilitated, whilst ensuring that good governance continues.

The impact of the pandemic is likely to continue to affect governance arrangements, and changes to working practices are continually being assessed to ensure appropriate controls exist. It is also apparent that the pandemic has had, and will continue to have, an impact upon the Council's resources, financial resilience, potential pausing of certain projects and long-term flexible working. This will remain a key governance issue as the Council recovers.

With the relaxation of Covid restrictions from February 2022, the impact of the pandemic has remained negligible upon the Council's Governance arrangements.

(this is a recommended section from CIPFA to show where significant changes to the governance arrangements had to be made and, in the conclusion, or opinion whether the arrangements remain fit for purpose)

Review of effectiveness

Nuneaton and Bedworth Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control.

The review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors and the Head of Audit and Governance's Annual Report.
- Directors within the Authority who have responsibility for the development and maintenance of the internal control environment; and
- comments made by the external auditors and other review agencies and inspectorates.

Assurance statements have been received from the Chief Executive and Directors setting out their confirmation that the control systems in place are adequate and that they are being complied with.

The review for the 2021-22 statement has been carried out by the Management Team and the final statement was approved on 28th October 2022 via group e-mail.

The process that has been applied in maintaining and reviewing the effectiveness of the system of internal control includes:

Corporate Governance and Council

- The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect
- The Council reviews the Local Code of Corporate Governance on a regular basis and adopts an action plan to deal with any issues. The Audit and Standards Committee approved a revised Local Code in July 2018, which is consistent with the principles set out in the CIPFA/Solace Delivering Good Governance in Local Government Framework 2016.
- The Anti-Fraud and Bribery Strategy and Fraud Response Plan demonstrate the Council's commitment to the prevention and detection of all types of fraud, corruption and bribery and extends to members, employees, and partners. It also puts the onus on managers to create an environment in which employees, contractors and partners feel able to approach them with concerns. A revised Anti-Fraud and Bribery Strategy was approved by the Audit and Standards Committee in January 2018.
- The Head of Audit and Governance has been appointed as the Council's 'Whistleblowing Officer' and will be the first point of contact in conjunction with the Monitoring Officer to receive concerns that are raised under the Council's Confidential Reporting Code.
- Overview and Scrutiny Panels (OSP's) can 'call in' a decision which has been made by the Cabinet, Portfolio Holder, or other authorised decision taker, where it has not yet been implemented, to enable them to consider whether the decision is appropriate. They allow people to have a greater say in Council matters by holding public inquiries into matters of local concern.
- The Council's Partnership Framework supports the planning and delivery of effective partnership working and ensures that any partnerships the Council is involved in are managed with appropriate governance arrangements. A revised Framework was approved by the Audit and Standards Committee in March 2018.
- Overview and Scrutiny Panels receive regular reports on the work of the key partnerships.
- The Council has in place a Proceeds of Crime (Anti Money Laundering) Framework, which aims to maintain high standards of conduct and prevent criminal activity through money laundering. A revised Framework was approved by the Audit and Standards Committee in November 2017.
- On the 17 April 2013 the Council approved a revised policy for inclusion in the Constitution on Gifts & Hospitality which incorporates the changes brought about by the Bribery Act 2010. The policy was reviewed during 2020/21 and a revised version was approved by Council in April 2021.

- An annual report is presented to Elected Members to consider the Register of Members Interests and the content of the registers of Gifts and Hospitality for Members and Officers. The last report was presented to the Audit and Standards Committee in November 2021.
- The Council has approved changes to the Constitution where appropriate to ensure decision making is legal, timely and robust. There is a Constitution Review Working Party which oversees and make recommendations on the Constitution.
- The Council has a trading arm – NABCEL – which operates commercially. There is a Shareholder Agreement in place which sets out clearly the decision-making responsibilities of both NABCEL and the Council as the only shareholder. The Shareholder Role is exercised through a politically balanced committee of Cabinet.
- The Council has a zero tolerance to all forms of fraud and corruption. The Council employs a Counter Fraud Officer who works closely with the Revenue and Benefits and Housing Teams to identify, deter, and prevent fraud.
- The Council has a joint working arrangement with the Department for Work and Pensions so cases which involve both Housing Benefit and a Council Tax Reduction will be investigated jointly.
- In July 2021, the Council established a further standing committee to deal with employment matters and related issues concerning, amongst other things, terms & conditions of employment and the approval of Human Resources policies.

Information Management

- A revised Information Governance Framework, ICT Code of Conduct for Employees, and the Members Protocol for use of the Council's ICT Resources was approved by the Portfolio Holder for Central Services in August 2017
- The Corporate Governance Group (CGG) has taken on the role of the Corporate Information Governance Group (CIGG). The CGG consider information management issues on a monthly basis and approve an action plan for the Operational Information Management Group to monitor
- The Information Management Group is made up of Senior Managers that represent all Council Directorates
- With the management Team restructure completed in September 2021, the Director Customer & Corporate Services was appointed as the Senior Information Risk Owner and the Head of Audit and Governance is the Deputy.
- A Customer Experience Officer was appointed in October 2021 whose role expanded to include that of the Data Protection Officer. The role is now titled Customer Experience and Data Protection Officer. The post holder has undergone external training to support this additional responsibility.
- The Council has introduced an electronic process for reporting data breaches and near misses internally to the Data Protection Officer and to the Senior Information Risk Owner to ensure that all appropriate action can be taken promptly

- All data breaches and near misses are discussed with the Corporate Governance and Information Governance Groups to enable any lessons learned to be shared
- All employees and senior managers receive mandatory data protection training and attendance is monitored.
- Subject Access and other information rights requests are processed in line with the new statutory timescales
- The Council carries out an annual compliance check to ensure its infrastructure is sufficiently secure to connect to the Public Service Network. The current certificate expired in August 2021 and renewal was delayed whilst a significant infrastructure (Azure) migration has been undertaken. The certificate is being assessed and renewed in 2022/23.

The Council was assessed as meeting the Government backed Cyber Essentials Scheme and as such has defences that are satisfactory against commodity based cyber-attacks. The certificate expired in December 2018 and was to be renewed when the unsupported Northgate Housing Software was replaced. There was a delay in the implementation with the new CIVICA CX system, however this work is now complete. The Council has subsequently been assessed and has fallen short of certification due to reasons such as mobile devices requiring renewal or legacy software becoming unsupported during the assessment period. The Council's ICT team have actively been working on this, and renewal will be completed in 2022/23.

Audit and Standards Committee

- The purpose of the Council's Audit and Standards Committee is to provide independent assurance of the adequacy of the risk management framework and the internal control environment. It provides an independent review of governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal and external audit, helping to ensure efficient and effective assurance arrangements are in place.
- In order to ensure high standards of conduct and probity, the Committee also plays a key part in strengthening and maintaining the highest standards of ethical conduct which the public is entitled to expect from both Members and Officers of the Council. The Committee approved a new Code of Conduct in March 2021, based upon the model used by Warwickshire County Council. The intention behind this was to ensure that a single code applied, particularly where there are "twin-hatters" who are subject to both the Council's and the County Council's code of conduct.
- The Committee also receives and reviews the Annual Monitoring Report from the Local Government & Social Care Ombudsman. This was considered in September 2021, and it was pleasing to note that none of the complaints investigated by the Ombudsman were upheld, as opposed to the average for similar authorities of 53% upheld. A refreshed report will be

presented to the committee in November 2022 for 21/22. The year 21/22 report will show a more typical year in terms of complaint referral and level upheld, but will also detail the service improvement work undertaken.

- The Audit & Standards Committee also undertakes a monitoring role in connection with probity matters raising from “Whistle-blowing” complaints brought under the Council’s Confidential Reporting Code. One complaint was considered by the Committee in March 2022 and the actions of the Council were noted.

Management Team

- The Management Team meets on a weekly basis and reviews progress on performance measures, risk management reviews and inspections at the end of each month. These are done by exception to focus attention on key issues that may require action. Management Team and Cabinet also receive a monthly Strategic Performance Report showing key financial and non-financial performance data, using a ‘traffic light’ system.
- From June 2018, the Management Team structure consisted of two Executive Directors and four Directors. At the start of the financial year 2021/22, the Executive Director – Resources gave notice that she would be leaving the authority in July 2021. This gave the new incoming political leadership the opportunity to review the structure of the Management Team. A review was undertaken and concluded in September 2021. The result created a new role of Chief Executive, supported by 5 Directors, one of which would be designated as the Deputy Chief Executive. The revised structure was implemented with effect from 1st October 2021. Subsequently, the Director – Customer & Corporate Services was designated as the Deputy Chief Executive.
- Arising from the Corporate Peer Challenge, a recommendation was made to develop an appropriate project management framework with clearly identified Senior Responsible Owners, appropriate governance arrangements including engagement with key support services such as finance and legal to ensure decisions are taken in a lawful and timely way, with standard templates and processes for implementation and monitoring, will strengthen the delivery of NBBC’s projects.

Performance Management

- The TEN Performance Management System is used to report performance to officers, members and the public and highlight under-performing services. Corrective action plans are then put in place to address issues. Performance management is reported to Scrutiny Panel on a quarterly basis during the year, via integrated finance and performance reports.

- The Council's Performance Management Framework was updated and approved by the Audit and Standards Committee in November 2021 and is now included in the Council's Constitution.
- Greater use of benchmarking is now used in the Performance Reports to enable the Council to be measured against good performance and the intention is to continually enhance this further on an on-going basis.
- The Council continues to use transformation approaches as a means of improving service delivery and overall value for money. Having adopted an enterprise strategy in February 2022, the Council approved a budget to fund a service transformation programme in February 2022 to deliver financial sustainability linked to the Council's MTFP.
- Services that have previously been subject to a performance review continue to embed continuous improvement which ensures continual monitoring and review to ensure the service is still providing an effective service to its customers.

Financial Management Arrangements

- The Council appointed a new Chief Financial Officer (CFO) in January 2022, which is a statutory post responsible for the financial management arrangements of the authority. The new post holder was appointed to the role of Director – Finance & Enterprise and commenced the role on 2 May 2022. The CFO is a member of the Management Team. The role conforms to the requirements within the updated CIPFA statement on the role of the CFO in Local Government.
- The Financial and Contract Procedure Rules [FPRs and CPRs] are used by all officers and Members to ensure effective use of resources and robust and transparent decision making. Both the FPR's and CPRs were reviewed in 2019/20 and approved in May 2020. *With regards to the CPRs, the Government issued a Green Paper in December 2020 (entitled Transforming Public Procurement) setting out its vision to transform the public procurement regime. The Bill is progressing through the House of Lords before being approved by the House of Commons and then seeking Royal Assent. It is indicated that the new Act will be live on or around May 2023. As such, the CPRs shall be updated over the next 12 months alongside the implementation of the new Procurement Act to ensure NBBC procedures are in line with the new regime with a view to seeking Cabinet or Single Cabinet Member approval shortly after the Act becomes Law. The Procurement team frequently review updates and inform key stakeholders of the updates in readiness for the new Act to ensure NBBC is ready (as best as it can be) for the new regime.*
- A revised Medium Term Financial Plan was reported to Cabinet in October 2019. It outlined the savings required over the period 2020-2023, based on the one-year 'roll-over' settlement offered by central government for 2020/21. A further one-year roll-over settlement was also offered by central government for 2021/22. High-level reviews of the Plan were carried out in February 2021 and February 2022 as part of the budget setting process. These noted that a more fundamental review of the

Plan was difficult in the absence of a multi-year Settlement or Spending Review, which was delayed by government for another year due to the pandemic. The key messages from the Plan are communicated to all employees. The Corporate Peer Challenge specifically noted the need for an updated Medium Term Financial Strategy, and this has been incorporated into the 2022/23 Action Plan. This will take into account any long-term impact of COVID-19 as well as the likely impact of the Business Rates Review and Fair Funding Review, if known at that point.

- The Treasury Management Strategy is reviewed each year, as a result of the economic conditions and investments in Icelandic banks. We have continued to keep our Counterparty list under review, in liaison with our external advisors. The Audit and Standards Committee has received reports on our Treasury activity quarterly during the year and twice yearly to Cabinet and Council
- The Corporate Governance Group monitors current and planned expenditure and income, highlighting emerging issues that will impact upon forward financial planning.
- Effective financial management arrangements have been crucial during the COVID-19 pandemic and the Quarter 1 budget monitoring report to Cabinet in December 2021 included some savings and other mitigating actions required to ensure the Council maintained financial sustainability over the course of the year.

Risk Management

- The Council's Risk Management Strategy was last updated and approved by the Audit and Standards Committee in November 2021. Risks are managed using Strategic and Operational Risk Registers
- The Audit and Standards Committee is responsible for monitoring the effective development and operation of risk management procedures across the Council.
- Overview and Scrutiny Panels receive quarterly reports on the risks within the Strategic Risk Register that are relevant to their area of responsibility. At the end of the financial year, they have sight of the full register
- The Council insures against the risk of loss, particularly financial loss. The levels of cover and the excess amounts are continually reviewed and updated to reduce exposure to an acceptable level
- Since 1st April 2016 the insurance service has been provided by Warwickshire County Council under a formal service level agreement

Internal Audit

- Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisations operation. It is responsible for monitoring the quality and effectiveness of the control environment comprising risk management, control, and governance.
- A risk model is used to formulate the internal and computer audit plans which are agreed by the Management Team and approved by the Audit and Standards Committee.
- Where necessary, internal audit will identify areas for improvement and make recommendations and agree an action plan for Service Managers. A summary of the issues arising is presented to the Audit and Standards Committee. The last reports were considered by the Committee in July 2021, November 2021 and March 2022.
- A review of the effectiveness of Internal Audit is completed annually; an external quality assessment was completed in January 2019, with the next review due by February 2024, to ensure compliance with the Public Sector Internal Audit Standards. The overall conclusion was that the internal audit service complies with the Public Sector Internal Audit Standards and provides an efficient and effective service to the Council.

Transparency

- The government maintains a commitment to increasing transparency across central and local government in order to make data more readily available and enable residents to hold service providers truly to account. As a publicly funded organisation, Nuneaton and Bedworth Borough Council is equally committed to openness and accountability.
- In 2021-22, the council published a series of datasets in line with the Local Government Transparency Code 2015 and other transparency commitments including; senior staff salaries, organisation chart, spending on items over £500, details of new contracts and also the adopted Pay Policy Statement. To promote transparency and wider engagement with council decisions, residents can use digital platforms such as; Facebook, Twitter, and YouTube to get updates from, and interact with, the authority. To counter the social restrictions imposed by Covid-19, and under the provisions of the Coronavirus Act 2020, this functionality meant that in the early part of 2021-22 residents were able to remotely access Council meetings and therefore continue to partake in local decision making.

Other Sources of Assurance

As stated above, reliance has been placed on other sources of assurance in 2021/22 with respect to the Head of Audit and Governance's opinion. Other sources of assurance have been obtained in year activity but also by reflecting on past opinions and the basis of these.

The Council commissioned its first Local Government Association (LGA) Corporate Peer Challenge (CPC) in September 2021. The LGA CPC report highlights a number of positive aspects in the way the Council operates, including our ambition and place leadership, our financial management track record and the relationship across the Councillors and Officers who make up the senior team. Importantly the LGA CPC report also identifies areas where the Borough Council can improve and an action plan was approved by Cabinet in November 2021.. The LGA CPC Review Team conducted a "six month check-in" session in March 2022 to consider how the Council had responded to the September CPC and were impressed with progress made to date against our Action Plan. The key actions have been incorporated into the 2022/23 Action Plan and are shown, where appropriate, with an asterisk*.

The Council's External Auditors have met with the Section 151 officer throughout 2021/22 and have also attended Audit and Standards Committee meetings. During this time, the External Auditor has not expressed any specific concern on the governance and/or financial arrangements operating within the Council.

Other examples of assurance obtained in year include:

- Completion of statutory returns, VAT returns, and grant claims, etc.
- Regular internal quality monitoring activities across many services
- Completion of annual development reviews of staff
- Regular performance, risk, contract and financial monitoring
- The annual Local Government Ombudsmen report.
- Completion of relevant mandatory training for all appropriate members of staff

Identifying the needs of Officers and Members

- The Council has continued to develop Senior Managers with specific key learning topics, including regular finance updates, delivered at away days and is embedding the council's values throughout the organisation.
- The Council's values now form part of the recruitment process and employee's annual development reviews.
- The Council has implemented a Corporate Training System, DELTA (Develop, Enhance, Learn, Train, and Accomplish) which holds all training courses including mandatory ones. The system holds employees' individual training records and sends notifications for refreshers. This will give the Council a more effective method of ensuring all training, specifically mandatory, is up to date and will ensure that an attendance record is maintained.
- Employees are updated on corporate issues through regular communication updates, in addition to specific publications from Management Team, as well as annual finance updates and training opportunities.
- Corporate Governance Training for Elected Members takes place annually.
- An emerging issue, replicated on a national scale, relates to the Council's ability to recruit and retain qualified and experienced staff in key areas such as Finance, Planning & Environmental Health. The Corporate Peer Challenge also noted the issue and made specific recommendations to develop a People Strategy and to streamline the recruitment process, focusing upon the many benefits of working for the Council. These points have been taken on board and have been added to the Action Plan for 2022/23.

Significant governance issues

The COVID-19 pandemic has impacted on the Council, most notably in bringing forward plans for agile and remote working. This has enabled activities to continue. The governance framework itself has been effective in assisting with this, particularly in terms of financial management.

An update on the action plan for 2021/22 is shown in the table below:

Action	Responsible Officer	Planned Completion Date	Status
Implement a Corporate Document Retention Policy	Head of Audit and Governance and Data Protection Officer	Outstanding	Rolled over to 2022/23
Corporate Governance Training Elected Members and Senior Manager	Head of Audit and Governance and Data Protection Officer	Completed for Members on 27 th May 2021 & 13th July 2021 Completed for Senior Managers on March 2022	Completed
Undertake training for the Audit and Standards Committee on the Statement of Accounts and Treasury Management	Head of Financial Services	June 2021	Completed
Undertake training for the Audit and Standards Committee on the roles of internal and external audit	Head of Audit and Governance	June 2021	Completed
Undertake training for the Audit and Standards Committee on dealing with complaints and hearings sub-committees	Director – Planning & Regulation	July 2021	Completed
Adoption of the new Code of Conduct for Elected Members	Director – Planning & Regulation	March 22	Completed

The review of the governance framework during 2021/22, together with the Corporate Peer Challenge undertaken by the Local Government Association has identified the following issues to be addressed in 2022/23:

Action	Responsible Officer	Planned Completion Date
Implement a Corporate Document Retention Policy	Data Protection Officer	Rolled over to 2022/23
Undertake training for the Audit and Standards Committee on the Statement of Accounts and Treasury Management	Head of Financial Services	February 2023
Undertake training for the Audit and Standards Committee on the roles of internal and external audit	Head of Audit and Governance	January 2023
Cyber essentials	Director - Customer and Corporate Services	Revised to 2022/23
New Member Induction Programme 2022/23	Director - Planning & Regulation	July 2022
An updated Medium Term Financial Strategy needs to be considered by the Council prior to its budget setting process in February 2023	Director – Finance & Enterprise	November 2022
Ensure staff recruitment and retention is linked to the People Strategy and underlying policies	Director - Customer and Corporate Services	Linked to employment committee work. Tabled for 2022/23

Implement a Corporate Programme Management approach to further improve Governance related to major projects	Director – Regeneration & Housing	Implementation & officer training May 2022 to March 2023 Full roll out April 2023
Review the remit of the Corporate Governance Group to take account of the Corporate Programme Management approach.	Director – Finance & Enterprise	December 2022
Contract & Financial Procedure Rules review & update	Director – Finance & Enterprise	CPRs: In progress – new Procurement Act coming into force. Please see bullet point 2 under “Financial Management arrangements”. FPRs: January 2023
Policy review to accommodate more agile working	Director - Customer and Corporate Services	The Employment Committee has received and will continue to receive employment policies for review, amendment and approval.
Asset review, especially use of the Town Hall	Director - Customer and Corporate Services + Director of Housing and Regeneration	Ongoing but the Council is in Negotiations to lease part of the Town Hall to a public sector partner.
Undertake a Residents’ Survey	Director - Customer and	Rolled forward to 2022/23.

	Corporate Services	
Consider the effective and consistent use of appropriate data to inform decision making	Management Team	Ongoing
Complete the development of some of the key strategies e.g. Economic Development Strategy, Town Centre Strategy	Director – Regeneration & Housing	December 2022
Finalise the new corporate plan and ensure this supports the priorities of the council, is widely consulted on with partners and communicated for clarity across the council	Director - Customer and Corporate Services	April 2022
Ensure key projects have a clear purpose i.e. maximise income generation opportunities, social value etc	Director – Regeneration & Housing	Linked to Corporate Management approach – full roll out April 2023
Review the internal and external approach to communications to ensure this supports priorities and ambitions	Director - Customer and Corporate Services	LGA Communications review undertaken August 2022.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness. This Statement is intended to provide reasonable assurance on the strength of the authority's governance arrangements, although no system of control can provide absolute assurance against material misstatement or loss. The review of the control environment and governance framework has concluded that it is sound and fit for purpose and the actions needed above will ensure that further improvements are made. These issues will be addressed during 2022/23 and the action plan will be monitored by the Leadership Board.

Signed (Leader):

Councillor Kristofer Wilson.....

Date: XX 2022.....

Signed (Chief Executive):

Brent Davis

Date: XX 2022.....

Leader and Chief Executive on behalf of Nuneaton and Bedworth Borough Council

DRAFT