

ASHFIELD DISTRICT COUNCIL



Council Offices,
Urban Road,
Kirkby in Ashfield
Nottingham
NG17 8DA

Agenda

Audit Committee

Date: **Thursday, 27th July, 2023**

Time: **6.30 pm**

Venue: **Committee Room, Council Offices, Urban Road,
Kirkby-in-Ashfield**

For any further information please contact:

Lynn Cain

lynn.cain@ashfield.gov.uk

01623 457317

Audit Committee

Membership

Chairman: Councillor Will Bostock

Councillors:

Anna Ellis
Sarah Lewsey
Nicholas Parvin

Dawn Justice
Trevor Locke
John Smallridge

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SUMMONS

You are hereby requested to attend a meeting of the Audit Committee to be held at the time/place and on the date mentioned above for the purpose of transacting the business set out below.



Theresa Hodgkinson
Chief Executive

AGENDA

Page

1. **To receive apologies for absence, if any.**
2. **Declarations of Disclosable Pecuniary or Personal Interests and/or Non-Registrable Interests.**
3. **To receive and approve as a correct record the minutes of the meeting of the Committee held on 20 March 2023.** 5 - 8
4. **Mazars: Auditor's Annual Report - Year Ending 31 March 2023.** 9 - 32
5. **Council's Treasury Management and Borrowing Activities 2022/23.** 33 - 40
6. **Internal Audit Annual Report 2022/23.** 41 - 62
7. **Audit Progress Report.** 63 - 84
8. **Section 100A Local Government Act 1972: Exclusion of the Press and Public.**

A Member of the Committee is asked to move:-

"That in accordance with the provisions of Section 100A of the Local Government Act 1972, the press and public be now excluded from the meeting during the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of part 1 of Schedule 12A of the Act and in respect of which the Proper Officer considers the public interest in maintaining the exemption outweighs the public interest in disclosing the information."
9. **Investment Property Performance 2022/23.** 85 - 106

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AUDIT COMMITTEE

Meeting held in the Council Chamber, Council Offices, Urban Road, Kirkby-in-Ashfield,
on Monday, 20th March, 2023 at 7.00 pm

Present: Councillor Will Bostock in the Chair;
Councillors John Baird, Jamie Bell and
David Walters.

Apology for Absence: Pete Hudson.

Officers Present: Lynn Cain, Ruth Dennis and Clive Howey.

In Attendance: Mandy Marples and Hannah McDonald (CMAP).

AC.28 Declarations of Disclosable Pecuniary or Personal Interests and/or Non-Registrable Interests

No declarations of interest were made.

AC.29 Minutes

RESOLVED

that the minutes of the meeting of the Committee held on 30 January 2023,
be received and approved as a correct record.

AC.30 Accounting Policies for 2022/23 and Other Statement of Accounts Matters

The Council's Interim Chief Accountant presented the report and requested
Committee Members to consider the accounting policies that the Council were
proposing to adopt for the current financial year in the preparation of the
Statement of Accounts for 2022/23. Committee was also asked to note the
impact of changes to the Code of Practice on Local Government Accounting
on the production of the 2022/23 Statement of Accounts process.

RESOLVED that

- a) the Accounting Policies, as detailed at Appendix A to the report, be
approved;
- b) it be noted that any subsequent amendments or changes to the policies
and the associated financial implications will be reported back to this
Committee.

AC.31 Pension Assumptions for the 2022/23 Statement of Accounts

The Council's Interim Chief Accountant presented the report and asked Members to consider the proposed assumptions to be used by the Pension Fund Actuary in preparing the International Accounting Standard (IAS) 19 – Employee Benefits figures, to be reported in the Council's Annual Statement of Accounts for 2022/23.

RESOLVED

that having considered the Actuary's briefing note attached as Appendix A and the proposed IAS 19 assumptions detailed within it, the assumptions be agreed as the basis for the calculation of the pension figures required for the 2022/23 Statement of Accounts.

AC.32 Audit Progress Report

Mandy Marples, CMAP's Audit Manager, presented the report and summarised audit progress as at 3 March 2023.

One piece of work had been finalised during that time and a synopsis of the Health & Safety 2022-23 review was outlined to Members. It had received only Limited Assurance with one Significant Risk being identified in relation to the contractor charged with undertaking legionella inspections not consistently providing evidence that the inspections had been completed in accordance with the requirements of the water testing and check schedule provided to them.

There was also a further Moderate Risk which identified that the Asset and Investments service area had spent over £26,000 with an asbestos surveying and removal company in the year to 31 October 2022, without a contract being in place. A set of recommendations were now in place to address the weaknesses as set out in the report.

In respect of changes to the Audit Plan and following publication of the agenda, a request had been submitted by management for Internal Audit to carry out a review in order to "sign off" the allocated Biodiversity Net Gain grant funding (Defra) for 2022/23 of £26,807. The deadline for the work was 30 March 2023 to claim the grant. To facilitate the request, it had been agreed that the Organisational Culture & Ethics 2022/23 review would be removed from the 2022/23 Plan with the time allocated being transferred to complete the new assignment.

RESOLVED that

- a) audit assignment progress as at 3 March 2023, as presented to Committee, be received and noted;
- b) the change to the 2022/23 Audit Plan, be noted.

AC.33 Internal Audit Plan 2023/24 and Audit Charter

Hannah McDonald, CMAP's Group Auditor, presented the Audit Plan for 2023/24 and the Audit Charter and explained the process for selecting audit reviews, based upon consultation with the Council's Leadership Team (CLT), utilising the Council's risk registers and CMAP's bespoke risk assessment model.

Members were advised as to the audits to be undertaken in 2023/24 and were asked to note that the Audit Plan was a flexible, working document that could be amended throughout the year to meet any changing priorities as required.

In respect of the Audit Charter, Members were asked to note that no changes had been made to the document for the 2023/24 financial year.

RESOLVED

that the content of the Audit Plan for 2023/24 and Audit Charter, as presented, be received and approved.

AC.34 Corporate Governance and Anti-Fraud Update

The Executive Director for Governance and Monitoring Officer presented the report, which outlined the framework of Council policies and procedures currently in place to support its governance arrangements in accordance with CIPFA's Code of Corporate Governance.

The report also detailed the arrangements for preparing the Annual Governance Statement for 2022/23, outcomes arising from Anti-Fraud and Data Matching work undertaken during the past year and an update in relation to how the Whistleblowing Policy has operated in the preceding 12 months.

Work had already commenced on the Annual Governance Statement (AGS) and Members were advised that they would be sent a draft copy for consideration before the District Elections in May 2023. The finalised AGS would then be submitted to the Audit Committee meeting in July for final approval.

The Anti-Fraud and Corruption Group continued to meet quarterly to review the Fraud Risk Register in addition to other agreed work plan items. It had recently been established that no high level risks required reporting to Committee at this present time, which was acknowledged and welcomed by Members.

To conclude, Committee was advised that the responsibility for Anti-Fraud would, following a transition and handover period, be moving to the Corporate Resources Director's remit in the near future.

RESOLVED that

- a) the process for preparing the 2022/23 Annual Governance Statement, as presented, be received and noted;

- b) the overview of the Anti-Fraud and Data Matching work undertaken during the past year, as detailed in the report, be also noted;
- c) the minor changes to the Whistleblowing Policy in accordance with the draft document attached at Appendix 1, be approved;
- d) it be noted how the Whistleblowing Policy has operated during 2022/23.

AC.35 MAZARS: Conclusion of Pending Matters – Audit Completion Report

In accordance the provisions of Section 100(B) (4) (b) of the Local Government Act 1972, the Chairman exercised his discretion to allow consideration of the matter as an urgent item. The reason for the Chairman's decision was due to the fact that notification had only just been received and the Audit Completion Report related to the 2021/22 accounts. It had also been recognised that this was the last meeting of the Audit Committee prior to the District Council Elections in May 2023.

The Interim Chief Accountant presented the Follow Up Letter to Committee and advised that all outstanding matters were now complete and the Council's draft Statement of Accounts for 2021/22 were now approved.

In relation to the Value for Money conclusion, this was not yet available but would be reported to the Council upon its completion.

RESOLVED

that the Follow Up Letter from Mazars outlining the conclusion of pending matters for the year ended 31 March 2022, as presented, be received and noted.

The meeting closed at 7.30 pm

Chairman.

Auditor's Annual Report

Ashfield District Council – year ended 31
March 2022

Pages
9 June 2023



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Our reports are prepared in the context of the 'Statement of responsibilities of auditors and audited bodies' issued by Public Sector Audit Appointments Ltd. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the Council. No responsibility is accepted to any member or officer in their individual capacity or to any third party.

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01

Section 01: **Introduction**

1. Introduction

Purpose of the Auditor's Annual Report

Our Auditor's Annual Report (AAR) summarises the work we have undertaken as the auditor for Ashfield District Council ('the Council') for the year ended 31 March 2022. Although this report is addressed to the Council, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 and the Code of Audit Practice ('the Code') issued by the National Audit Office ('the NAO'). The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.



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Opinion on the financial statements

We issued our audit report on 14 March 2022. Our opinion on the financial statements was unqualified.



Whole of Government Accounts (WGA)

We have not yet received group instructions from the National Audit Office in respect of our work on the Council's WGA submission. We are unable to commence our work in this area until such instructions have been received.



Wider reporting responsibilities

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and to consider any objection made to the accounts. No such correspondence from electors has been received.

Value for Money arrangements

In our audit report issued we reported that we had not completed our work on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources and had not issued recommendations in relation to identified significant weaknesses in those arrangements at the time of reporting. Section 3 confirms that we have now completed this work and provides our commentary on the Council's arrangements.

Introduction

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3. VFM arrangements – Overall summary

Context of the Auditor’s Annual Report

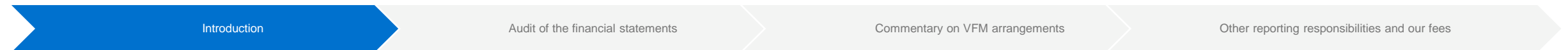
Our Auditor’s Annual Report summarises the work we have undertaken as the auditor for Ashfield District Council for the year ended **31 March 2022**, where at the time of reporting, we recognise that the social, political and economic environment has changed and local government is facing significant challenges including:

Sector wide

- **Cost of Living:** With most people experiencing financial pressure, spending habits are changing. High energy costs and increasing food prices have impacted on levels of disposable income. With wage (and potentially benefit) increases failing to keep pace with inflation, more people will be facing hardship.
- **Added budget pressures:** With inflation soaring, the cost of goods, services and resources are becoming more expensive. Local authorities are not immune to the increasing cost of energy supply, although the government announcements on energy caps help, many local authorities are still facing higher costs. Local authorities typically budget for modest salary increases year on year, but expectations and demands on salary increases have changed and consideration on how they are to be funded is required.
- **Cost of Borrowing:** The Bank of England base rate has risen to 4.5% in May 2023 meaning that the cost of borrowing for capital projects has increased significantly.
- **Contractors and Suppliers:** The cost-of-living crisis has resulted in business failures. Although government support has been announced, some businesses will continue to struggle, with a greater risk of supplier failure. Supply failures anywhere in the supply chain will have a knock-on effect.
- **Service Delivery:** Likely budget reductions and savings plans are going to impact the ability of local authority services to maintain levels of delivery, particularly at a time of increased demand.

We remain alert to the key issues facing Ashfield District Council, including matters attracting significant media attention such as the Government intervention into planning at Teversal and involvement of the police into

members roles in other organisations. Should we identify a risk of significant weakness in arrangements, will follow the process as described in section 3 to promptly raise these with management and issue any reports to the Audit Committee as part of our audit for the year ending 31 March 2023.



02

Section 02:

Audit of the financial statements

2. Audit of the financial statements

The scope of our audit and the results of our opinion

Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (ISAs).

The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Council and whether they give a true and fair view of the Council's financial position as at 31 March 2022 and of its financial performance for the year then ended. Our audit report, issued on 14 March 2023 gave an unqualified opinion on the financial statements for the year ended 31 March 2022.

Qualitative aspects of the Council's accounting practices

We reviewed the Council's accounting policies and disclosures and concluded they comply with the 2021/22 Code of Practice on Local Authority Accounting, appropriately tailored to the Council's circumstances.

Management identified one material error in the financial statements that was corrected by way of adjusting £2.2m balances in previous financial years as a result of not following proper accounting practice regarding the treatment of Section 106 Capital Grants between grants unapplied and grants received in advance.

Internal control recommendations

The purpose of our audit was to express an opinion on the financial statements. As part of our audit, we considered the internal controls in place relevant to the preparation of the financial statements in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of

expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

Our detailed findings and recommendations were included in the Audit Completion Report to the Council's Audit Committee, confirming there were no 'high' priority recommendations with potential for financial loss, damage to reputation or loss of information that may have implications for the achievement of business strategic objectives for immediate implementation.

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2. Audit of the financial statements

Main financial statement audit risks and findings

Our audit approach is risk-based and primarily driven by the issues that we consider lead to a higher risk of material misstatement of the accounts. Once we have completed our risk assessment, we develop our audit strategy and design audit procedures in response to this assessment. Following the risk assessment, we identified risks relevant to the audit of financial statements and the significant audit risks and conclusions reached are set out below:

Audit Risk	Level of audit risk	How we addressed the risk	Audit conclusions
Management override of controls This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur.	Significant risk: an area that, in our judgment, requires special audit consideration.	We addressed the risk through performing work over accounting estimates, journal entries and considering whether there were any significant transactions outside the normal course of business or otherwise unusual. In addition, we made enquiries of management and used our data analytics and interrogation software to extract accounting journals for detailed testing on specific risk characteristics.	There are no significant matters to report in respect of management override of controls.
Valuation of land & buildings and investment properties and council dwellings The valuation of these properties is complex and is subject to a number of management assumptions, judgements and a high degree of estimation uncertainty.	Significant risk	Our procedures to address this risk included, but was not limited to: <ul style="list-style-type: none"> considering whether the overall revaluation methodologies used by the Council's valuers are in line with industry practice, the CIPFA Code of Practice and the Council's accounting policies; assessing whether valuation movements are in line with market expectations by using third party information to provide information on regional valuation trends; critically assessing the approach that the Council adopts to ensure assets that are not subject to revaluation in 2021/22 are materially correct, including considering the robustness of that approach in light of the valuation information reported by the Council's valuers; and testing a sample of individual valuations, back to source records to ensure appropriateness and to gain assurance over whether the correct accounting treatment has been applied. 	There are no significant matters to report in respect of valuation of land, building and dwelling assets.
Valuation of the net pension liability The defined benefit liability relating to the Local Government pension scheme represents significant balances on the Council's balance sheet. The Council relies on an actuary to provide an annual valuation of these liabilities in line with the requirements of IAS 19 Employee Benefits. Due to the high degree of estimation uncertainty associated with this valuation, we have determined there is a significant risk of misstatement in this area.	Significant risk	Our procedures to address this risk included, but was not limited to: <ul style="list-style-type: none"> liaising with the auditors of the Nottinghamshire Pension Fund to gain assurance that the controls in place at the Pension Fund are designed and implemented correctly. This included the processes and controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS 19 valuation is complete and accurate; reviewing the appropriateness of the Pension Asset and Liability valuation methodologies applied by the Pension Fund Actuaries, and the key assumptions included within the valuations. This included comparing them to expected ranges, utilising information by the consulting actuary engaged by the National Audit Office. 	A £0.9m adjustment was made to the financial statements, following which we were satisfied that the evidence obtained delivered the assurances we required.

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Section 03:

Commentary on VFM arrangements

3. Commentary on VFM arrangements

Overall summary

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3. VFM arrangements – Overall summary

Approach to Value for Money arrangements work

We are required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

- **Financial sustainability** – How the Council plans and manages its resources to ensure it can continue to deliver its services
- **Governance** - How the Council ensures that it makes informed decisions and properly manages its risks
- **Improving economy, efficiency and effectiveness** - How the Council uses information about its costs and performance to improve the way it manages and delivers its services

Our work is carried out in three main phases.

Phase 1 - Planning and risk assessment

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Council has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements.

We obtain our understanding of arrangements for each of the specified reporting criteria using a variety of information sources which may include:

- NAO guidance and supporting information
- Information from internal and external sources including regulators
- Knowledge from previous audits and other audit work undertaken in the year
- Interviews and discussions with staff and directors

Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are

further risks of significant weaknesses.

Phase 2 - Additional risk-based procedures and evaluation

Where we identify risks of significant weaknesses in arrangements, we design a programme of work to enable us to decide whether there are actual significant weaknesses in arrangements. We use our professional judgement and have regard to guidance issued by the NAO in determining the extent to which an identified weakness is significant.

Phase 3 - Reporting the outcomes of our work and our recommendations

We are required to provide a summary of the work we have undertaken and the judgments we have reached against each of the specified reporting criteria in this Auditor's Annual Report. We do this as part of our Commentary on VFM arrangements which we set out for each criteria later in this section.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Council. We refer to two distinct types of recommendation through the remainder of this report:

- **Recommendations arising from significant weaknesses in arrangements**

We make these recommendations for improvement where we have identified a significant weakness in the Council arrangements for securing economy, efficiency and effectiveness in its use of resources. Where such significant weaknesses in arrangements are identified, we report these (and our associated recommendations) at any point during the course of the audit.

- **Other recommendations**




We make other recommendations when we identify areas for potential improvement or weaknesses in arrangements which we do not consider to be significant but which still require action to be taken

The table on the following page summarises the outcomes of our work against each reporting criteria, including whether we have identified any significant weaknesses in arrangements or made other recommendations.

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3. VFM arrangements – Overall summary

Overall summary by reporting criteria

Reporting criteria	2020/21 Actual significant weaknesses identified?	2021/22 Commentary page reference	2021/22 Identified risks of significant weakness?	2021/22 Actual significant weaknesses identified?	2021/22 Other recommendations made?
 Financial sustainability	No	13	No	No matters arising in 2021/22.	No
 Governance	No	16	No	No matters arising in 2021/22.	No
 Improving economy, efficiency and effectiveness	No	19	No	No matters arising in 2021/22.	No

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3. VFM arrangements

Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services

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3. VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria

Significant weakness in 2020/21	Nil.
Significant weaknesses identified in 2021/22	Nil.

Position brought forward from 2020/21

As set out in the table above, there are no indications of a significant weakness in the Council’s arrangements for financial sustainability brought forward from 2020/21.

Overall responsibilities for financial governance

We have reviewed the Council’s overall governance framework, including Cabinet and Committee reports, the Annual Governance Statement, and Statement of Accounts for 2021/22. These confirm the Council undertook its responsibility to define the strategic aims and objectives, approve budgets and monitor financial performance against budgets and plans to best meet the needs of the Council’s service users.

The Council’s financial planning and monitoring arrangements

Through our review of Council and Committee reports, meetings with management and relevant work performed on the financial statements, we are satisfied that the Council’s arrangements for budget monitoring remain appropriate, including regular reporting to Members and arrangements for year-end financial reporting.

We reviewed the Council’s financial outturn for 2021/22 as presented to Cabinet in July 2022. This report explained explanations for variation for significant variances against revised budget for the General Fund, the Housing Revenue Account (HRA) and the Capital Programme. The report is evidence of arrangements in place to track and manage the budget, with the variances not indicative of a significant weakness in the Council’s arrangements.

Financial Statement performance 2021/22

We reviewed the Council’s balance sheet, income statement and movement in reserves and compared this to the prior year and are satisfied the reported financial position does not indicate a risk of significant weakness in VFM arrangements for financial sustainability

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3. VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria

Financial Statement performance 2021/22 (continued)

We also considered performance on commercial property investments as presented in notes 15 and 25 of audited the financial statements, as well as the year end property portfolio report presented to Audit Committee in July 2022 with the following observations:

- Underlying arrangements for oversights of the Council's investment property portfolio are unchanged from prior years.
- The fair value of the Council's investment properties has fallen by nearly £8m in the two years 2020/21 (£5.8) to 2021/22 (£2.2m).
- The acquisition cost of these properties was £62m vs a fair value as at 31 March 2022 of £51m.
- Net rental income from investment properties per the financial statements is £4.4m, but when all borrowing costs are included, this reduces to £3.2m, which is a return of around 5% against the cost of acquisition.
- The Council has maintained a £3.5m investment reserve to mitigate the impact of rental void periods and mitigate fluctuations in the market. This is approximately 80% of the annual net revenue income for 2021/22.

Revisions to CIPFA's Treasury Management Code and the Prudential Code were made in December 2021 leading to enhanced levels of reporting and governance for 2022/23. We confirmed the Council updated its Treasury Management Strategy and Capital Strategy for 2022/23 as presented to the Audit Committee in January 2023.

Financial performance and management of the risk surrounding large commercial investment portfolio's is increasingly under pressure and an area the Council needs to maintain close oversight over.

	2021/22 £'000
Net Rental Income From Investment Properties (financial statements)	4,393
Total investment property net income (after borrowing costs)	3,181
Opening Fair Value of investment properties	52,793
Impairments	(2,123)
Closing Fair Value of investment properties	50,670
Commercial property investment reserve	3,500

Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to financial sustainability for the year ended 31 March 2022.

3. Commentary on VFM arrangements

Governance

How the body ensures that it makes informed decisions and properly manages its risks

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3. VFM arrangements – Governance

Overall commentary on the Governance reporting criteria

Significant weakness in 2020/21	Nil.
Significant weaknesses identified in 2021/22	Nil.

The Authority's governance structure

Based on our work, we are satisfied that the Council has established governance arrangements, consistent with previous years, in place. These are detailed in the Statement of Accounts and Annual Governance Statement. We have considered both documents against our understanding of the Council as part of our audit.

Our review of corporate governance arrangements confirms the Council has an agreed Constitution, setting out how it operates, how decisions are reached and what procedures are followed to ensure that these are transparent and accountable to local people. Within the Constitution is a Scheme of Delegation that sets out who can take which type of decisions, with decisions published on the Council's website.

Risk management and internal control

The Council has an established risk management framework and systems in place which are built into the governance structure of the organisation. We reviewed specific reports provided to the Audit Committee in March 2022 setting out updates to the corporate risk register and to corporate governance arrangements, with no concerns arising. These arrangements are consistent with what we would expect at a local authority and are adequate for the Council's purposes.

The Annual Governance Statement is a critical component of the Council's governance arrangements. It is an evidenced self assessment by the Council on the Council's governance, assurance and internal control frameworks for the financial year. No significant weaknesses in internal control have been identified from our work to date and Internal Audit have not identified or raised any significant concerns. We reviewed the Annual Governance Statements as part of our work on the financial statements with no significant issues arising.

We have attended Audit Committee meetings and reviewed supporting documents and are satisfied that the programme of work is appropriate for the Council's requirements. Our attendance at Audit Committee has confirmed there continues to be an adequate level of effective challenge.

Our work on the financial statements did not identify any significant internal control weaknesses.

Internal Audit

We have documented our understanding of the internal audit function and are satisfied that the Head of Internal Audit has direct access to all levels of management, all employees and to all elected members and particularly to those charged with governance. We have met with management and the Head of Internal Audit regularly during the year and reviewed Audit Committee reports and attended Audit Committee to observe the functioning of the Committee and receipt of Internal Audit Reports.

In addition, we reviewed the Internal Audit's annual opinion which is provided to the Audit Committee and supports the Annual Governance Statement providing assurance that there is no significant weakness in arrangements for 2021/22.

3. VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - continued

Arrangements for budget setting and budgetary control

We have reviewed minutes of meetings and the year end financial outturn reports presented to the Cabinet during the year as well as the narrative statement to the financial statements. In addition, we have reviewed capital expenditure as presented in the financial statements with no issues arising from our testing of additions.

We reviewed the medium term financial strategy presented to Cabinet in February 2022 covering the period 2022/23 to 2024/25. We also considered the Council’s main assumptions, mainly being pay and non-pay inflationary pressures of between 2% and 5% as well as noting a cumulative funding gap of £2.3m over the duration of the MTFS. Overall, we do not believe the assumptions made are unduly unreasonable and are satisfied that there is no indication of a significant concern over the Council’s financial sustainability, when also taking into consideration that, as at 31 March 2022, the balance on the General Reserve was £9m.

The Council's reserves position does not indicate a risk of significant weakness in VFM arrangements for financial sustainability and provide some mitigation against future financial challenges, and will assist in addressing future volatility and support savings and efficiencies plans. The Council will need to continue to ensure that any use of reserves to smooth the financial position over the next few years is properly planned and the use of reserves cannot be relied on to provide a long term solution to funding gaps.

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Overall, we have not identified any indicators of a significant weakness in the Council’s arrangements relating to the Governance criteria for the year ended 31 March 2022.

3. Commentary on VFM arrangements

Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services

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3. VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria

Significant weakness in 2020/21	Nil.
Significant weaknesses identified in 2021/22	Nil.

Overall arrangements

The Council’s arrangements in 2021/22 are not significantly changed from 2020/21.

The Corporate Plan sits above a wider strategic context which includes the Corporate Project Management Framework, Corporate Performance Indicators and a range of strategic documents relating to the Council and its services, including the Strategic Direction. The performance framework incorporates balanced performance scorecards on place, corporate and service outcomes.

The Corporate Plan has been developed in alignment with the Medium-Term Financial Strategy and the financial sustainability of the organisation. The ‘Innovate and Improve’ Priority proposes key programmes and projects which will be focussed on identifying and delivering efficiencies and more effective working practices to support financial sustainability, whilst concurrently delivering improved customer focussed services. Financial performance is included within a detailed Corporate Scorecard reported to Corporate Leadership Team and Scrutiny.

We reviewed the Corporate Plan refresh based on 2021/22 outturn presented to Cabinet in June 2022, which included an update on the year-end Corporate Performance Scorecard. Having reviewed the levels of performance and delivery achieved against the Corporate Plan and Corporate Scorecard, as at year-end 2021/22, no evidence of a significant weakness in arrangements was identified.

We identified no significant changes in arrangements regarding partnership working and are satisfied the Council continues to have arrangements for procurement and contract tendering and our work on the financial statements has not identified any significant internal control deficiencies regarding purchasing controls.

Towns Board

In June 2021 a £63m Towns Fund deal for Ashfield was announced, with Ashfield District Council as the Accountable body. We have reviewed a variety of governance documents supporting the Towns Fund to confirm that the Discover Ashfield Board is the body that oversees the Towns Fund to ensure that there is involvement and engagement with a wide range of people and organisations. The Board also has oversight of the Shared Prosperity Fund. The Board membership includes local MPs, community representation and the Integrated Care Partnership. The Board serves an advisory function to the Council with regards to the Town Deal funding.

As reported to Cabinet, there has been £3.3m slippage (71%) on towns fund capital through to 31 March 2022 due to the ongoing impact of covid and availability of consultants.

We obtained a copy of the Local Assurance Framework (LAF) to confirm one was in place. This sets out how Ashfield District Council and Discover Ashfield undertake their respective roles in relation to good governance and delivery of the projects being funded through the Towns Fund. The framework sets out the structure and roles that each organisation will undertake and the processes and policies that will apply to the decision making and oversight that are required in managing the Town Deal programme.

Overall, we have not identified any indicators of a significant weakness in the Council’s arrangements relating to the Improving Economy, Efficiency and Effectiveness criteria for the year ended 31 March 2022.

04

Section 04:

Other reporting responsibilities and our fees

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4. Other reporting responsibilities and our fees

Matters we report by exception

The Local Audit and Accountability Act 2014 provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to the law; and
- issue an advisory notice.

We have not exercised any of these statutory reporting powers.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. We did not receive any such objections or questions.

Reporting to the National Audit Office (NAO) in respect of Whole of Government Accounts (WGA) consolidation data

The NAO, as group auditor, requires us to complete the WGA Assurance Statement in respect of its consolidation data. We have not received the instructions from the NAO and therefore this work remains incomplete.

4. Other reporting responsibilities and our fees

Fees for work as the Council's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum. Having substantially completed our work for the 2021/22 financial year, we can confirm that our fees are as follows:

	2020/21 Actual	2021/22 Final
Scale fee in respect of our work under the Code of Audit Practice	43,148	43,148
Additional cost in respect of increased regulatory expectations:		
• Additional testing on IAS19 Pension Liabilities	2,998	3,740
• Additional testing on valuation of land, buildings, council dwellings and investment properties	4,954	6,200
Additional costs arising from:		
• Additional work from the introduction of new auditing standards (ISA 540 Estimates)	2,892	3,590
• Other additional testing - audit adjustments to resolve prior period errors	-	2,205
• Other additional testing (explain) - COVID	1,188	-
<i>Subtotal</i>	12,032	15,735
Additional cost in respect of the new VFM approach	6,000	6,000
Grand Total	61,180	64,883

The Council was provided with a share of £15 million in additional funding in 2021/22 to meet rising audit costs, this being £22,243

Fee variations subject to PSAA approval process.

Fees for other work

We confirm that we have undertaken one assurance related service for the Council in the year: Assurance return on the pooling of housing capital receipts for £3,600

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*where permitted under applicable country laws.



Report To:	AUDIT COMMITTEE
Date:	27TH JULY 2023
Heading:	COUNCIL'S TREASURY MANAGEMENT AND BORROWING ACTIVITIES 2022/23
Executive Lead Member:	EXECUTIVE LEAD MEMBER FOR FINANCE, REVENUES AND BENEFITS – CLLR RACHEL MADDEN
Ward/s:	N/A
Key Decision:	NO
Subject to Call-In:	NO

Purpose of Report

This report provides information on the Council's Treasury Management activities which the Council conducts to manage both its funding and its cash flow, with the aim of minimising the risks to which the Council is exposed when borrowing and lending monies.

It sets out the performance in 2022/23 against the prudential indicators, which were previously approved by Full Council on 3rd March 2022, as part of the Treasury Management Strategy. This ensures that borrowing and lending are controlled within reasonable limits, in line with good practice.

Recommendation(s)

Members are requested to note the performance including the compliant prudential indicators, as outlined in the report.

Reasons for Recommendation(s)

In accordance with the requirements of the Council's Financial Regulations (C.31), the Audit Committee is responsible for ensuring effective scrutiny of the Treasury Management Strategy and Policies.

In accordance with the requirements of the Council's Financial Regulations (C.30), Cabinet will receive an annual Treasury Management Performance Report.

In accordance with CIPFA Code of Practice for Treasury Management in Public Services (the “CIPFA TM Code”), Members should approve the annual report for Treasury Management activity in 2022/23 which forms part of this document.

Under CIPFA’s Prudential Code for Capital Finance in Local Authorities, Members have a statutory duty to adopt a set of annual indicators relating to capital expenditure and Treasury Management.

Alternative Options Considered

None.

Detailed Information

TREASURY MANAGEMENT - ANNUAL REPORT 2022/23

1. Introduction

1.1 The Treasury Management Policy Statement includes a requirement for the production of an Annual Report on the Treasury Management activities undertaken during the year. This requirement is also incorporated in the Council's Financial Regulations and is considered as good practice in the Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice for Treasury Management.

2. The Financial Markets During 2022/23

2.1 Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022/23.

3. Borrowing

3.1 The table below shows there has been no new borrowing undertaken during the year. One Mortgage Loan and one PWLB Loan have been repaid during the year.

Table 1 – Borrowing Activities 2022/23

Type of Loan	Amount Outstanding 01/04/22 £'000	Borrowed £'000	Repaid £'000	Amount Outstanding 31/03/23 £'000
Long Term Loans				
- PWLB	62,536	0	(5,000)	57,536
- Mortgage Loan	34,500	0	(1,500)	33,000
Total External Debt	97,036	0	(6,500)	90,536

3.3 The table represents the actual transactions and therefore will differ to those shown in the statement of accounts due to the statement of accounts including accruals for interest payable.

4. **Prudential Borrowing Limits**

4.1 One of the requirements of the CIPFA Prudential Code is to report performance against a range of indicators to Members. Underpinning the Prudential system for borrowing is the fundamental objective that any investment in assets needs to be both affordable and remain within sustainable limits. The Council sets its own targets, boundaries or limits against which it monitors actual performance. For 2022/23 these were approved by Council on 3rd March 2022. The comparison of out-turn to those targets are set out in Appendix 1 to this report.

5. **Loan Interest Payments**

5.1 There are two measures of performance used for assessing the Council’s borrowing activities. These are the total amount of interest paid compared to estimated figures and the average rate of interest paid on external loans. An analysis of interest payments compared to the revised estimates is given below:

Table 2 – Loan Interest Payments

	Forecast	Actual	Variance
	£'000	£'000	£'000
PWLB	1,946	1,946	0
Mortgage Loans	1,574	1,574	0
Total	3,520	3,520	0

6. **Investments**

6.1 Cash flow surpluses are placed in investment accounts or in short-term money market deals. The movement in external investments during the year is given below:

Table 3 - Investments

	Temporary Advances £000
Balance at 01/04/22	44,057
New Investments	310,501
Repayments	328,220
Balance at 31/03/23	26,338
Annual Return	2.00%

The Annual Return compares favourably to the Sterling Overnight Index Average (SONIA) set by the Bank of England. The average SONIA rate for 2022/23 was 0.90%.

6.2 Overall Investment Income achieved compared to the revised budget is as follows:

Table 4 – Investment Income

Forecast £000	Actual £000
600	871

6.3 The above figures demonstrate that investments are an important element of the Council’s budget. Relatively small movements in interest rates can have a significant impact on the income received. The main reasons for the better than expected investment income during 2022/23 was due to the effects of further increase in the Bank of England Base Rate and slippage on the capital programme have meant that cash balances are greater than expected.

6.4 During 2022/23, the base rate started at 0.75% and ended the year at 4.25%.

Implications

Corporate Plan:

The reporting of the Council’s Treasury Management and Borrowing Activities ensures compliance with the Council’s Financial Regulations and the CIPFA best practice. The Council’s effective treasury management activities support delivery of the Corporate Plan objectives.

Legal:

The recommendations contained in the report ensure compliance with Financial Regulations C.30 and C.31. [RLD 28/06/2023]

Finance: [PH 28/06/2023]

Budget Area	Implication
General Fund – Revenue Budget	No direct financial implications arising from this report.
General Fund – Capital Programme	
Housing Revenue Account – Revenue Budget	
Housing Revenue Account – Capital Programme	

Risk:

Risk	Mitigation
None Identified	N/A

Human Resources:

No adverse Human Resources implications identified. [KB 27/06/23]

Environmental/Sustainability

No Environmental/Sustainability implications.

Equalities:

No adverse Equality implications.

Other Implications:

None.

Reason(s) for Urgency

N/A

Reason(s) for Exemption

N/A

Background Papers

Treasury Management Strategy Report
Mid-Year Treasury Management Report

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APPENDIX 1 PRUDENTIAL INDICATORS OUTTURN 2022/23

1. Prudential Indicators of Affordability

a) Ratio of financing costs to net revenue stream split between the Housing Revenue Account and the General Fund

The Council is required to calculate an estimated ratio of its financing costs divided by its net revenue stream for both the General Fund and the Housing Revenue Account.

2022/23	Target %	Actual %
Housing Revenue Account	13.92	10.44
General Fund	21.49	15.32

The variance to target; on the Housing Revenue Account is due to an increase in interest receivable following the base rate increases during 2022/23 and on the General Fund is due to NDR, Government Grants being higher than previously expected and Minimum Revenue Provision being lower than expected.

b) Estimate of the incremental impact of capital investment decisions on the Council Tax and Rent Levels

Authorities are required to estimate the impact on the Council Tax (General Fund) and Rent levels (Housing Revenue Account) of the capital programme including the non-financing costs.

2022/23	Target £	Actual £
Housing Revenue Account (52 Weeks)	0.00	0.00
General Fund (Band D)	19.88	2.88

The target indicators were approved by Council 3rd March 2022. The main reason for the General Fund being lower than target is due to switch funding for Towns Fund and Future High Street Fund schemes. The money received from DLUHC has to be spent in the year it is received which has resulted £6.6m DLUHC grants being used to fund other projects which would have been funded through prudential borrowing. This borrowing requirement will be carried forward to future years.

c) Net borrowing and the Capital Financing Requirement split between the General Fund and the Housing Revenue Account

In order to ensure that in the medium term borrowing is only undertaken for capital purposes local authorities are required to ensure that net external borrowing does not exceed, except in the short term, the total of their capital financing requirement. In broad terms the capital financing requirement reflects an authority's need to borrow for capital purposes and is a measure of the assets contained on the balance sheet which have as yet not been fully financed, i.e. there is still some debt outstanding.

31 st March 2023	Target £m	Actual £m
Housing Revenue Account	80	80
General Fund	105	86

The main reason for the reduction in the General Fund capital financing requirement is due to cumulative switch funding of £11m (£6.6m 2021/22 and £4.4m 2022/23) DLUHC grants which has reduced the need for prudential borrowing in addition to capital programme slippage.

d) Estimates of capital expenditure split between the General Fund and the Housing Revenue Account

2022/23	Target £m	Revised Capital Programme £m	Actual £m
Housing Revenue Account	23.1	20.0	17.3
General Fund	15.2	34.1	15.4

The main reasons for the differences between the Housing Revenue Account (HRA) and the General Fund (GF) are as follows:

- i) HRA – Variance to revised capital programme largely due to weather and planning delays to Maun View and Warwick Close housing developments.
- ii) GF – Underspends on Kirkby Leisure Centre (delays on demolition and new car park), Towns Fund Projects and Future High Street Fund projects (delays due to procurement issues and contractor availability), Purchase of Vehicles (electric vehicles delays caused by limitations of depot charging infrastructure) and In District Regeneration (lack of suitable properties available for purchase).

e) Authorised Limit of external debt

The Council is required to set an authorised limit for its total external debt, gross of investments and includes the need to borrow on a short-term basis to cover for temporary shortfalls in cash flow. The Authorised limit is set at a level which is approximate value of the funded capital programme plus the Capital Financing Requirement.

2022/23	Authorised Limit £m	Actual Borrowing £m
Borrowing	217	91

f) Operational Boundary

The operational boundary is based on the most likely or prudent but not worst-case scenario in relation to cash flow. The reason for the difference between the Operational and Actual Borrowing is due to the Authority using internal reserves e.g. the HRA to fund Capital Expenditure rather than borrowing.

2022/23	Operational Boundary £m	Actual Borrowing £m
Borrowing	188	91

2. Prudential Indicators for Prudence

a) **Interest rate exposure**

This indicator gives the following maximum levels of exposure to fixed and variable interest rate payments. Fixed interest loans charge the same amount of interest from the start of the loan until the loan is repaid. The interest payable for variable rate loans may change from the inception date to the maturity date. The target for fixed rate loans is set at the same level as the Authorised Limit whereas the target for variable rate loans is set at an amount which is 40% of the Authorised Limit.

Principal Outstanding 2022/23	Target £'000	Actual £'000
At Fixed Rates	217,000	72,536
At Variable rates	86,800	18,000

b) **Maturity Structure of fixed rate borrowing**

The Council has numerous fixed rate loans. It is prudent to ensure that these loans do not mature at the same time. Therefore, the Council has set lower and upper limits for the maturity of its fixed rate loans.

Maturity	Lower Limit £'000	Upper Limit £'000	Actual 31st March 2023 £'000
Less than 12 months	0	20,000	4,227
12 months to 24 months	0	20,000	1,227
24 months to 5 years	0	25,000	3,087
5 years to 10 years	0	50,000	11,695
10 year and over	10	100,000	70,300

Principal sums invested for more than 364 days

The below represents the maximum amount the Authority can invest with any institution. This is to reduce the potential exposure to the Authority should any institution become insolvent.

2022/23	Limit £m	Actual £m
Upper Limit	5	0



Ashfield District Council – Internal Audit Annual Report 2022-23

Audit Committee: 27 July 2023

Data Produced: 06 June 2023



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Our Vision

To bring about improvements in the control, governance and risk management arrangements of our Partners by providing cost effective, high quality internal audit services.

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Providing Excellent Audit Services in the Public Sector

Introduction

Why an Audit Opinion is required

The Public Sector Internal Audit Standards (PSIAS) states:

'The chief audit executive must deliver an annual audit opinion and report that can be used by the organisation to inform its governance statement.'

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual report must also include a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.'

Extracted from Public Sector Internal Audit Standards Updated March 2017 - 2450 Overall Opinions

In this instance, the Chief Audit Executive is Mandy Marples, Audit Manager.

With regard to overall opinions, CIPFA's Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards 2019 Edition (issued February 2019) also states:

"The Public Sector Requirement in PSIAS 2450 requires that the Chief Audit Executive must provide an annual report to the board timed to support the annual governance statement. This must include:

- an annual internal audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework – i.e. the control environment*
- a summary of the audit work from which the opinion is derived (including reliance placed on work by other assurance providers)*
- a statement on conformance with the PSIAS and the results of the Quality Assurance and Improvement Programme.*

In local government, the annual opinion should be guided by the CIPFA Framework Delivering Good Governance in Local Government.

The annual report should also include:

- disclosure of any qualifications to that opinion, together with the reasons for the qualification*
- disclosure of any impairments ('in fact or appearance') or restriction in scope*
- a comparison of the work actually undertaken with the work that was planned and a summary of the performance of the internal audit function against its performance measures and targets*
- any issues the Chief Audit Executive judges particularly relevant to the preparation of the annual governance statement*
- progress against any improvement plans resulting from QAIP external assessment.*

In the context of the PSIAS, 'opinion' means that internal audit will have done sufficient, evidenced work to form a supportable conclusion about the activity that it has examined. Internal audit will word its opinion appropriately if it cannot give reasonable assurance (e.g. because of limitations to the scope of, or adverse findings arising from, its work)."

How an Audit Opinion is Formed

Internal Audit's risk-based plan must take into account the requirement to produce an annual internal audit opinion. Accordingly, the Audit Plan must incorporate sufficient work to enable the Audit Manager to give an opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. Internal Audit must therefore have sufficient resources to deliver the Audit Plan.



Possible Overall Opinions

The Audit Manager's opinion relative to the organisation as a whole could fall into one of the following 3 categories:

- **Inadequate System of Governance, Risk and Internal Control** – Findings indicate significant weaknesses and the need for urgent remedial action. Where corrective action has not yet started, the current remedial action is not, at the time of the audit, sufficient or sufficiently progressing to address the severity of the control weaknesses identified.
- **Adequate System of Governance, Risk and Internal Control Subject to Reservations** – A number of findings, some of which are significant, have been raised. Where action is in progress to address these findings and other issues known to management, these actions will be at too early a stage to allow a satisfactory audit opinion to be given.
- **Satisfactory System of Governance, Risk and Internal Control** - Findings indicate that on the whole, arrangements are satisfactory, although some enhancements may have been recommended.

Quality Assurance and Improvement Programme

A quality assurance and improvement programme (QAIP) is designed to enable an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

Public Sector Internal Audit Standards state:

'The results of the quality and assurance programme and progress against any improvement plans must be reported in the annual report.'

Extracted from Public Sector Internal Audit Standards Updated March 2017 - 1320 Reporting on the Quality Assurance and Improvement Programme

Public Sector Internal Audit Standard 1312 also requires that:

"External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation."

Assessments are based on the following 3 ratings:

- **Generally Conforms** - means that an internal audit activity has a charter, policies, and processes that are judged to be in conformance with the Standards.
- **Partially Conforms** - means deficiencies in practice are noted that are judged to deviate from the Standards, but these deficiencies did not preclude the internal audit activity from performing its responsibilities in an acceptable manner.
- **Does Not Conform** - means deficiencies in practice are judged to be so significant as to seriously impair or preclude the internal audit activity from performing adequately in all or in significant areas of its responsibilities.

Our last external quality assessment on our overall conformance with the Standards was undertaken in 2022 and it was determined that we generally conformed with each standard.

'Generally Conforms' means the evaluator has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual *Standard* or element of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformance to a majority of the individual *Standards* or elements of the Code of Ethics, and at least partial conformance to the others, within the section/category. There may be significant opportunities for improvement, but these must not represent situations where the activity has not implemented the *Standards* or the Code of Ethics, has not applied them effectively, or has not achieved their stated objectives. As indicated above,

general conformance does not require complete/perfect conformance, the ideal situation, successful practice, etc.

The CMAP Leadership team revise the QAIP on an annual basis, with regular reviews of the progress on actions throughout the year. The QAIP is a standing item on all CMAP team meeting agendas and on the CMAP Operational Group meeting agendas.

The QAIP for 2022/23 and the progress made during the year on securing the improvements is shown on page 19.

Audit Opinion 2022-23

Based on the work undertaken during the year, I have reached the overall opinion that there is a **Satisfactory System of Governance, Risk and Internal Control** - Findings indicate that on the whole, arrangements are satisfactory, although some enhancements may have been recommended.

In forming this opinion, I am satisfied that no conflicts of interest have occurred which would have any bearing on my independence or objectivity. Also, my organisational independence and objectivity has not been subject to any impairment in fact or appearance; nor has the scope of our work been restricted in any way.

I have arrived at this opinion having regard to the following:

- The level of coverage provided by Internal Audit was considered adequate.
- Reliance is placed on other assurance providers who contribute to the overall assurance framework.
- Work has been planned and performed to obtain sufficient information and explanation considered necessary to provide evidence to give reasonable assurance that the organisation's control environment is operating effectively.
- The insight gained from our interactions with Senior Management and the Audit Committee.
- The degree to which recommended actions have been implemented to address our concerns over risk and control weaknesses within the Council.
- The changing risk environment within the Council has been taken into account during the 2022-23 financial year. Key features included;

Leadership – the Local Government Association undertook a Decision Making Accountability review to ensure that the Council's organisational design is optimal. It took into account the Council's strategic direction and new work streams, and identified how the Council can optimise its ability and organisational structures, which would in turn improve decision making and progress to a 'One Council' approach. This work informed a senior management restructure which was implemented during 2022-23.

The Director of Place and Communities post was filled in July 2022 but the postholder left the Council in May 2023. A suitably skilled Interim Executive Director – Place is in place and the post is currently being recruited to. This is a significant role for the Council as it includes responsibility for Towns Fund and Future High Street Funds which have attracted in excess of £60m funding and form a large part of a significant regeneration programme. The Council is the Accountable body for the Towns Fund and Future High Street Funds. Internal Audit has undertaken a review of the governance framework for the grants awarded from Towns and Future High Street funding. The work is not yet complete but has provisionally attracted a Limited assurance rating. Further

work will be undertaken with management to ensure that significant risks are identified, mitigated and managed.

Anti-Fraud - There has been minimal progress during the year in developing a corporate approach to anti-fraud. Following the Decision Making Accountability review, the responsibility for anti-fraud work will transfer to the Corporate Resources Director to lead. The post of Financial Services Manager will be operationally responsible for the work, under the direction of the Corporate Resources Director. However this post is currently vacant which will limit progress in this area.

The need remains for greater operational resilience and improved capacity in identifying and dealing with suspected fraudulent activity and Internal Audit will be advising the Council on how to progress this area as part of the Internal Audit work planned for 2023-24.

Data Quality and Security –An audit review of Housing Data Quality received a 'No' assurance rating, our lowest rating. A failure to maintain data integrity undermines oversight, control and decision making and urgent action was required to address the areas of weakness and non-compliance.

The audit reviewed the data held to monitor stock conditions and health and safety requirements to ensure that its standard met the requirements of the Social Housing White Paper. Nine moderate risk recommendations were raised relating to weaknesses in the data that the Council held. Of these, 3 are implemented, 4 are in the process of being implemented and there are 2 where the agreed actions are due but Internal Audit haven't been able to ascertain any progress information. Within the report, a significant data protection issue was raised, as access to confidential database reports containing personal and sensitive data (including special category data) on Council tenants had not been appropriately restricted. When management were alerted, immediate action was taken to rectify this weakness.

Data security has been a thematic issue over the previous 4 years, with data access and data storage issues giving rise to several recommendations to prevent breaching data protection principles that could lead to privacy violations, information security breaches and the potential for sanctions/financial penalties from the Information Commissioners Office. These recommendations have largely been implemented. The Audit Plan for 2023-24 includes audits of Information Governance and Data Management to continue our work in this area.

Governance – In relation to the criminal charges brought against the Leader and Deputy Leader, based on my enquiries and the evidence available to me, I am not aware of any adverse consequences to the operation of the control environment at the Council. My opinion is that the risk to the Council currently is reputational.

- The internal audit work we have carried out during the year has demonstrated that in general there is a sound governance framework in place, risks are being

managed and the controls put in place to mitigate those risks are working in practice. Where weaknesses have been identified, we have worked with management to agree appropriate corrective actions and a timescale for improvement.

This opinion is provided with the following caveats:

- The opinion does not imply that Internal Audit has reviewed all risks, controls and governance arrangements relating to the Council. The opinion is substantially derived from the conduct of risk-based audit work and as such, it is only one component that is taken into account when producing the Council's Annual Governance Statement.
- No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give absolute assurance.
- Full implementation of all agreed actions is essential if the benefits of the control improvements detailed in each individual audit report are to be realised.

Audit Coverage

The original 2022-23 Internal Audit Plan, approved by the Audit Committee on 28 March 2022, was informed by Internal Audit's own assessment of risk and materiality in addition to consultation with Senior Management to ensure it aligned to the organisation's key risks and objectives. The Plan was amended during the year and the Culture & Ethics and People Management audits were removed from the original approved plan. Homes England Grant Certification and Biodiversity Net Gain Grant Certification audits were added.

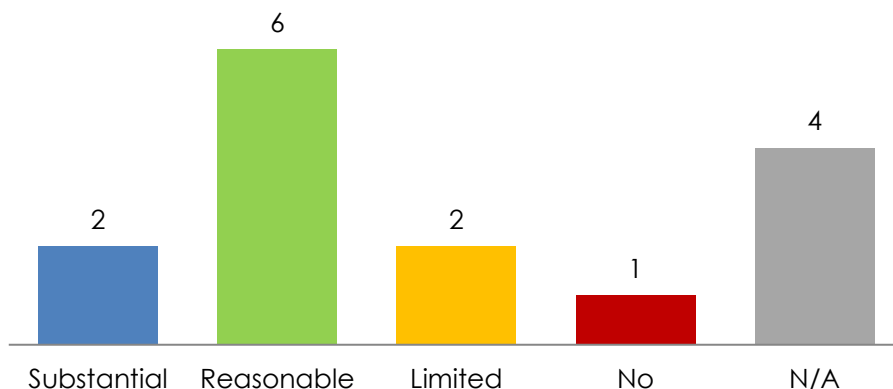
The following tables summarise the 2022-23 Audit Plan assignments and their outcomes as well as those assignments from the 2021-22 Audit Plan which were still ongoing in 2022-23.

2022-23 Jobs	Status	% Complete	Assurance Rating
General Ledger - Data Analytics 2022-23	Draft Report	95%	<i>Reasonable*</i>
Treasury Management 2022/23	Final Report	100%	Reasonable
Homes England Grant 2022-23	Final Report	100%	N/A
Health & Safety 2022-23	Final Report	100%	Limited
Estates	Final Report	100%	Reasonable
Licensing 2022-23	Final Report	100%	Reasonable
Section 106 2022-23	Final Report	100%	Substantial
Housing - Data Quality 2022-23	Final Report	100%	No
Biodiversity Net Gain Grant 2022-23	Final Report	100%	N/A
Leisure Centre 2022-23	Final Report	100%	Reasonable
Future High Streets Fund 2022-23	Draft Report	95%	<i>Limited*</i>
IT Asset Inventory 2022-23	Final Report	100%	Limited
Anti-Fraud and Corruption 2022-23	Final Report	100%	N/A
Climate Change & Sustainability 2022-23	Final Report	100%	N/A

B/Fwd Jobs	Status	% Complete	Assurance Rating
Accounting Systems 2021-22	Final Report	100%	Substantial
Corporate Credit Cards 2021-22	Final Report	100%	Reasonable
Planning	Final Report	100%	Reasonable

* Provisional assurance rating as report is yet to be finalised

Assurances Provided 2022-23



Of the completed assignments, 2 attracted a Substantial assurance rating; 6 attracted a Reasonable assurance rating; 2 attracted a Limited assurance rating; 1 attracted a No assurance rating and there were 4 where an assurance rating was not applicable due to the nature of the review.

Assurance Ratings Explained

Substantial - A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Reasonable - There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Limited - Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

No - Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

N/A – The type of work undertaken did not allow us to reach a conclusion on the adequacy of the overall level of internal control.

These assurance ratings are determined using our bespoke modelling technique which takes into account the number of control weaknesses identified in relation to those examined, weighted by the significance of the risks.

Ashfield District Council – Internal Audit Annual Report 2022-23

The following table seeks to summarise the extent of audit coverage provided to the Council during 2022-23 and the assurance ratings associated with each audit type of assignment.

Summary of Audit Plan 2022-23 Results (incl. Jobs B/Fwd)	Type of Review						Totals
	Key Financial System	System/Risk	Governance /Ethics	IT Audit	Anti-Fraud	Consultancy	
Not Yet Complete	1		1				2
Substantial	1	1					2
Reasonable	2	3	1				6
Limited		1		1			2
No		1					1
N/A	2				1	1	4
	6	6	2	1	1	1	17

Includes audits with provisional assurance ratings

Key Financial System audits

An important area of Internal Audit's assurance work is the review of the risks and controls associated with the Council's main financial systems. There were 5 Key Financial System audits finalised in 2022-23 with Accounting Systems receiving a Substantial assurance rating, Treasury Management and Corporate Credit Cards receiving a Reasonable assurance rating and with an assurance rating not been applicable for the Homes England grant and the Biodiversity Net Gain grant. The General Ledger – Data Analytics audit is not yet complete but has provisionally attracted a Reasonable assurance rating.

System/Risk audits

One of our main roles is to review the internal control systems developed by management to mitigate operational risks and report upon the adequacy of those controls. We finalised 6 systems/risk audits in 2022-23 with the Section 106 audit receiving a Substantial assurance rating. Audits of Licensing, Estates and Planning received a Reasonable assurance rating and Health & Safety received a Limited assurance rating. The Health & Safety audit reviewed the procedures and controls in place to ensure that the Council is complying with the requirements relating to asbestos and legionella. A significant risk recommendation was raised in relation to a contractor not consistently providing evidence that legionella inspections had been undertaken in accordance with the Council's requirements. Management took prompt action to rectify this issue.

Significantly an audit of Housing Data Quality received a 'No' assurance rating as we made 9 moderate risk recommendations relating to fundamental weaknesses in the data that the Council held to monitor stock condition and health and safety requirements. Concerns were also highlighted that a number of processes used were manual which gives rise to inconsistencies and error. A significant data protection issue was also raised as access to confidential database reports containing personal and sensitive data (including special category data) on Council tenants had not been appropriately restricted. Immediate action was taken to rectify this weakness.

Governance/ Ethics audits

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled. Internal Audit reviews specific areas of the governance framework each year. In 2022-23 we finalised a governance audit on the Council's Leisure Centres which attracted a Reasonable assurance rating. The other governance audit undertaken in 2022-23 is a review of the Council's Future High Street and Towns Funds. This is a key piece of work as the Council is the Accountable body for over £60m funding. The audit has yet to be completed but it has provisionally attracted a Limited assurance rating.

IT Audits

One key area of work each year is our IT audit coverage. This work is important as it provides assurance around the Council's mitigating actions to reduce the threat of cyber-attacks and keep data secure. We have continued our practice of notifying IT Management of any data security issues as they arise rather than delaying until the formal reporting stage. This has added value to the audit process in that potential data security issues can be mitigated in a timely manner. We then follow the mitigations through to the implementation stage. We also continue to offer advice where pertinent.

During the year we have finalised an IT Asset Inventory audit that reviewed the Council's policies and procedures for controlling the procurement and movement of IT related hardware, specifically desktops and laptops. The audit attracted a Limited assurance rating and suggested a number of actions to improve the accuracy and completeness of the current IT Asset Management database.

We will continue to include IT audits within our Internal Audit Plan as we are still identifying oversights that could lead to data breach or privacy violations.

Anti-Fraud Work

Internal Audit has an important role to play in ensuring that management has effective systems in place to manage the risk of fraud within the Council. Internal audit's role includes promoting counter-fraud best practice, testing and monitoring systems through probity work and advising on change where it is needed. Internal Audit also may be involved in the investigation of suspected internal fraud, theft or major irregularity.

During 2022-23 Internal Audit contributed to the development of the Council's anti-fraud and corruption capabilities by providing advice to the Council's Anti-Fraud working group.

Consultancy

Consultancy work is undertaken where its risk and control systems and processes are embryonic or not yet mature or being subject to review and amended. The consultancy activities that CMAP undertake are designed to add value to the organisation's effectiveness, efficiencies and above all, achievement of strategic goals, aspirations and aims. During 2022-23 we undertook a consultancy review of

Ashfield District Council – Internal Audit Annual Report 2022-23

the Council's response to climate change focusing on the governance arrangements in place and the responsibilities for implementation of the Council's plans. We identified and made suggestions to improve several areas that could aid the Council's Climate Change Journey.

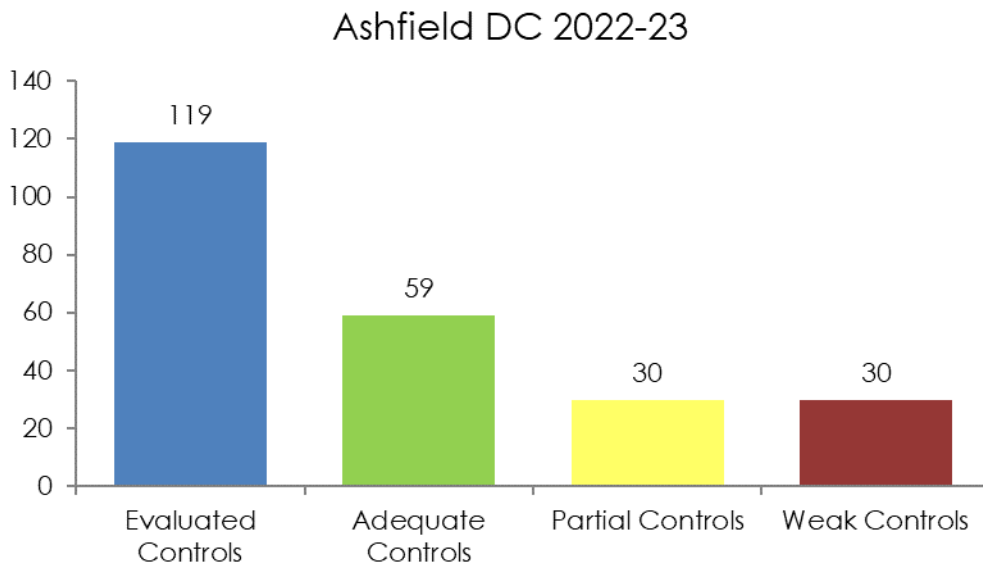
Audit Assignments 2022-23

Audit Assignments Completed in Period	Assurance Rating	Recommendations Made				% Recs Closed
		Critical Risk	Significant Risk	Moderate Risk	Low Risk	
General Ledger - Data Analytics 2022-23	Reasonable*					n/a
Treasury Management 2022/23	Reasonable			1	2	100%
Homes England Grant 2022-23	N/A					n/a
Accounting Systems 2021-22	Substantial				3	0%
Corporate Credit Cards 2021-22	Reasonable				5	100%
Health & Safety 2022-23	Limited		1	1	11	69%
Estates	Reasonable			2	9	0%
Licensing 2022-23	Reasonable			1	5	50%
Section 106 2022-23	Substantial				3	0%
Housing - Data Quality 2022-23	No			9	2	27%
Planning	Reasonable			3	2	40%
Biodiversity Net Gain Grant 2022-23	N/A					n/a
Leisure Centre 2022-23	Reasonable			1	4	0%
Future High Streets Fund 2022-23	Limited *					n/a
IT Asset Inventory 2022-23	Limited			2	10	75%
Anti-Fraud and Corruption 2022-23	N/A					n/a
Climate Change & Sustainability 2022-23	N/A					n/a
TOTALS			1	20	56	44%

* Provisional assurance rating as report is yet to be finalised

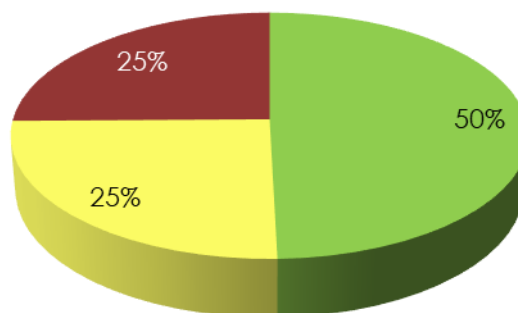
Internal Controls Examined

For those audits finalised during 2022-23, we established the following information about the controls examined:



Ashfield DC

- Adequate Controls
- Partial Controls
- Weak Controls



Recommendations Made

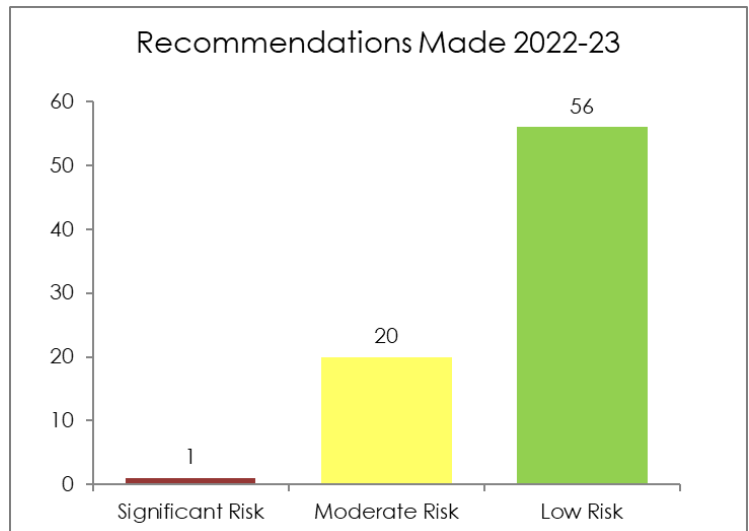
The control weaknesses identified above resulted in 77 recommendations which suggested actions for control improvements. The following table and charts show where the recommendations came from, and the current status of all recommendations made for 2022-23 audits:

Audit Assignments Completed in Period	Type of Review	Recommendations Status			
		Total Closed	Action Due	Being Implemented	Future Action
<i>General Ledger - Data Analytics 2022-23*</i>	Key Financial System				
Treasury Management 2022/23	Key Financial System	3			
Homes England Grant 2022-23	Key Financial System				
Accounting Systems 2021-22	Key Financial System			3	
Corporate Credit Cards 2021-22	Key Financial System	5			
Biodiversity Net Gain Grant 2022-23	Key Financial System				
Health & Safety 2022-23	System/Risk	9	1	1	2
Estates	System/Risk				11
Licensing 2022-23	System/Risk	3		3	
Section 106 2022-23	System/Risk		3		
Housing - Data Quality 2022-23	System/Risk	3	2	6	
Planning	System/Risk	2	3		
Leisure Centre 2022-23	Governance/Ethics		5		
<i>Future High Streets Fund 2022-23*</i>	Governance/Ethics				
IT Asset Inventory 2022-23	IT Audit	9	3		
Anti-Fraud and Corruption 2022-23	Anti-Fraud				
Climate Change & Sustainability 2022-23	Consultancy				
TOTALS		34	17	13	13

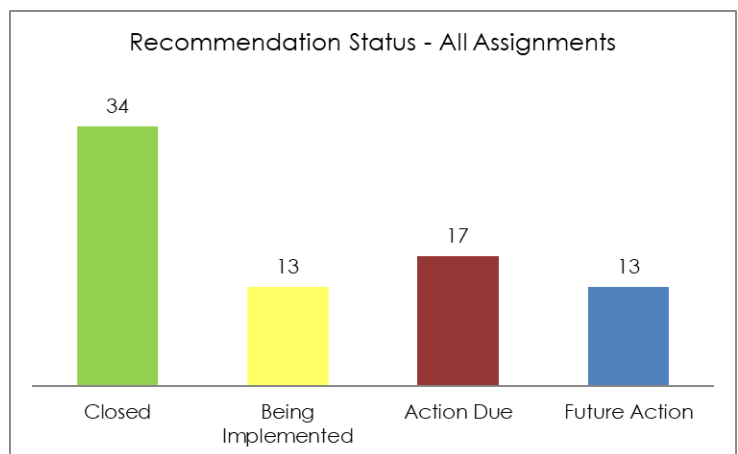
* This assignment is not yet complete, therefore recommendations have yet to be made.

Recommendations Summary

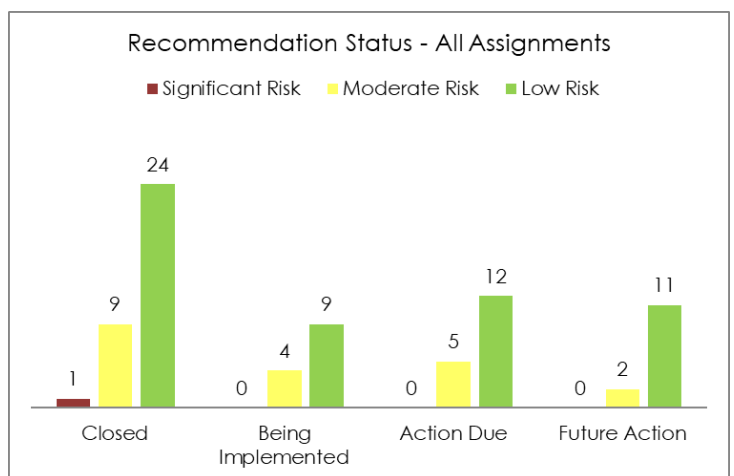
These 77 recommendations have resulted from the 15 audit assignments finalised either during 2022-23. Approximately 73% of all recommendations made were considered to present a low risk, 26% a moderate risk and 1% a significant risk.



Of the 77 recommendations made, 44% have been closed, 17% have passed their original action date and a revised target has been set, 22% have passed their original action date but we have not yet received information regarding the status of management's action. The remaining 17% have an agreed original action date set in the future.



1 significant risk recommendation and 9 moderate risk recommendations raised have been addressed to our satisfaction, as have 24 of the low risk recommendations. We will continue to monitor all recommendations not yet addressed and will bring those moderate risk recommendations that remain outstanding to the attention of the Audit Committee throughout the coming year.

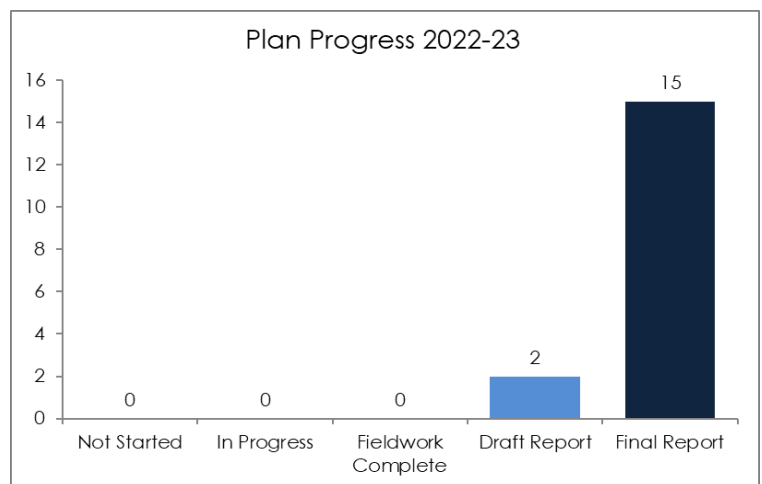


Performance Measures

9 customer satisfaction surveys have been returned. Surveys contain 11 questions regarding the audit service provided and asked managers to score each on a scale of 1-5 (1=Very Poor, 2=Poor, 3=Fair, 4=Good, 5=Excellent). From the 9 customer satisfaction returns received, the overall average score out of 55 was 53.



As at 31 March 2023 we estimate that we had completed 94.3% of the revised Audit Plan against a target of 90%. The chart shows the current progress on 2022-23 audits as at the date of this report.



QAIP – Improvement Plan

Actions	Update Position
<p>1. We should continue to heighten our profile by building on the relationship management already established with each partner organisation. i.e. Regular meetings with Senior Management combined with a regular on-site presence. Note under the current circumstances (Covid pandemic) this needs to be through regular contact via virtual meetings.</p>	<p>Completed.</p>
<p>2. We should map competency levels of staff over the various audit disciplines (e.g. contract, IT, probity, investigations etc.) that we can link to audit engagements to demonstrate that the staff assigned are appropriate. We should continue to promote a culture of continuous improvement which considers the needs of individuals by:</p> <ul style="list-style-type: none"> • staff completing the AMS in respect of any training received, • undertaking Performance Appraisals in accordance with the hosts requirements and • producing a Training & Development Plan. 	<p>The Training and Development Plan is now being drawn up.</p>
<p>3. We should ask staff to complete a Personal Development Plan and then produce a Training & Development Plan for the Team.</p>	<p>Being done in conjunction with the overall Training and Development Plan.</p>
<p>4. We should aim to increase our knowledge around the use of data analytics and other CAATs and identify the benefits it could bring to the audit processes.</p> <ul style="list-style-type: none"> • To ensure that audit engagements are supported by appropriate tools, we need 	<p>Four members of the team have been on a data analytics training course. Data analytics is being used in audits.</p>

Actions	Update Position
to develop a strategy for the use of data analytics.	
5. To demonstrate stakeholder engagement with the process, we should ensure that the QAIP Action Plan is a standard agenda item on both the CMAP Operational Group and at Audit Section meetings.	Completed.
6. To demonstrate each work programme has been appropriately approved, we should seek earlier formal sign off of the control evaluation so we can better demonstrate scrutiny and approval of coverage by audit management.	Completed.
7. CMAP needs to explore potential external assessors that can deliver the appropriate level of validation required and that understand the partnership ethos/approach.	Completed.
8. We should continue to develop the process for incorporating other assurance information into our overall risk assessment process and our overall opinion and how the other assurance provider information we gather can be used to demonstrate an audit assurance framework for each organisation.	<p>This is all about CMAP establishing an assurance mapping framework for partners to build on and develop. AVBC have used RSM Tenon to do such an exercise which was based around their risk registers. CMAP can then utilise the outcomes from this exercise to inform/shape future audit work at AVBC. For both AVBC and SDDC – we have established where first line and second line controls/scrutiny are. This has been based on our Audit Universe for each authority.</p> <p>DCC is producing an Assurance Handbook that aims to be drafted by the end of March 2023.</p> <p>Ideally we need to get all Partners interested in producing their own Assurance Map.</p>
9. We should ensure that our Audit Manual is complete, up-to-date,	Completed - Business as usual task.

Actions	Update Position
<p>readily available and used by all audit staff.</p>	
<p>10.To support the improvement of the organisation's governance framework, we should undertake consultancy work to facilitate the self-assessment of the effectiveness of the Audit Committee at all partner organisations.</p>	<p>There is an annual exercise at DCC run by the Head of the Audit Partnership with the Chair of Audit and Governance Committee. Derby Homes management do a similar annual exercise with the DH Audit Committee. Other partners need to be encouraged to adopt an Audit Committee effectiveness assessment process.</p>
<p>11.We should consider how we could systematically evaluate the potential for the occurrence of fraud at each partner organisation and how each organisation manages fraud risk.</p>	<p>Audit work to inform this is underway at DCC. Each year CMAP are sent a series of fraud risk management related questions for each partner by the External Auditor.</p>
<p>12.To review all CMAP reports to assess compliance with the Web Content Accessibility Guidelines (WCAG).</p>	<p>An initial assessment was done. Its currently on hold as we want to review the report templates available in the new AMS when it is procured.</p>

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Ashfield District Council – Audit Progress Report

Audit Committee: 27 July 2023



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Our Vision

Through continuous improvement, the central midlands audit partnership will strive to provide cost effective, high quality internal audit services that meet the needs and expectations of all its partners.

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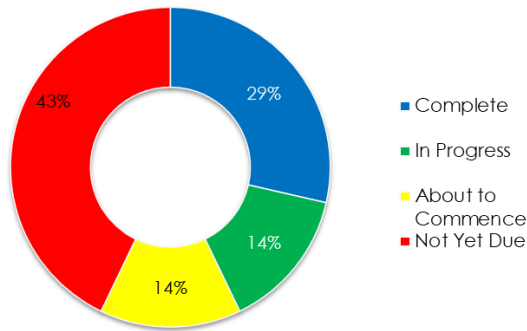
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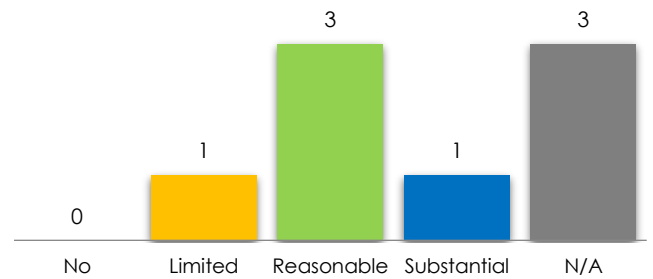
AUDIT DASHBOARD

Plan Progress



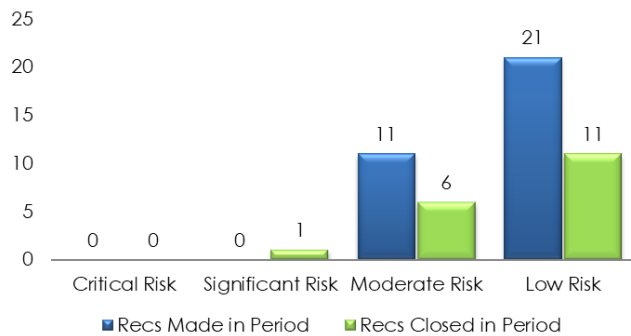
Assurance Ratings

Control Assurance Ratings Issued During Period



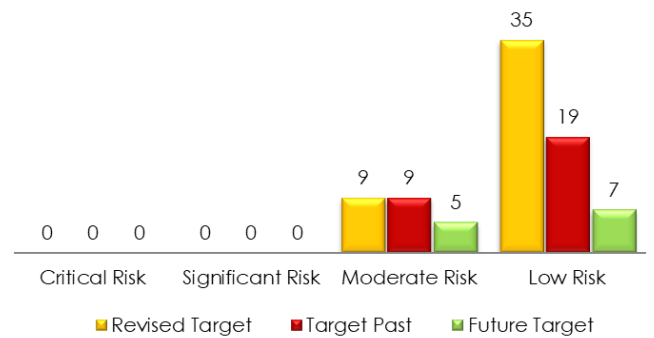
Recommendations

Movement During Period



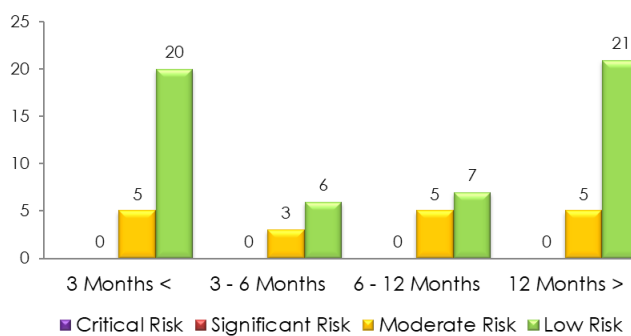
Recommendations

Recommendations Currently Open



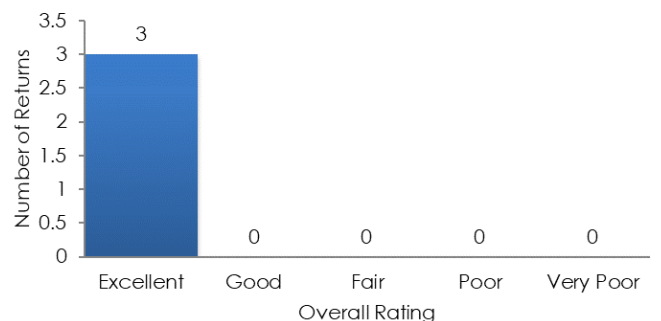
Recommendations

Overdue Recommendations



Customer Satisfaction

Returns Jan 2023 - July 2023



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AUDIT PLAN

Progress on Audit Assignments

The following table provides the Committee with information on how audit assignments were progressing as of 10 July 2023.

2023-24 Jobs	Status	% Complete	Assurance Rating
Member Code of Conduct & Officer/Member Protocol	Not Allocated	0%	
Anti-Fraud & Corruption 2023-24	Not Allocated	0%	
Information Governance 2023-24	In Progress	30%	
Audit Committee Effectiveness	Final Report	100%	N/A
Finance System Implementation 2023-24	In Progress	20%	
Cyber Security & Entity Level Controls 2023-24	Allocated	5%	
Data Management 2023-24	Not Allocated	0%	
Commercial Investment Property 2023-24	Not Allocated	0%	
Contract Procedure Rules 2023-24	Not Allocated	0%	
Revenues Systems 2023-24	Not Allocated	0%	
Trade Waste 2023-24	Not Allocated	0%	
Pest Control 2023-24	Not Allocated	0%	
Markets 2023-24	Allocated	0%	
Responsive and Planned Maintenance 2023-24	Not Allocated	0%	
Health & Safety - Lifts	Draft Report	95%	
Outdoor Recreation - Equipment Safety 2023-24	Allocated	5%	
B/Fwd Jobs	Status	% Complete	Assurance Rating
General Ledger - Data Analytics 2022-23	Final Report	100%	Reasonable
Estates 2022-23	Final Report	100%	Reasonable
Section 106 Agreements 2022-23	Final Report	100%	Substantial
Leisure Centre 2022-23	Final Report	100%	Reasonable
Future High Streets Fund 2022-23	Final Report	100%	Limited

Audit Plan Changes

The Executive Director – Governance has requested that two additional pieces of work be undertaken in addition to the Internal Audit Plan for 2023-24 that was agreed on 20 March 2023. These are a review of Audit Committee Effectiveness and a review of the Member Code of Conduct and the Officer/Member protocol.

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AUDIT COVERAGE

Completed Audit Assignments

Between 4 March 2023 and 10 July 2023, the following audit assignments have been finalised since the last progress update was given to the Audit Committee.

Audit Assignments Completed in Period	Assurance Rating	Recommendations Made				% Recs Closed
		Critical Risk	Significant Risk	Moderate Risk	Low Risk	
Anti-fraud & Corruption 2022-23*	N/A	0	0	0	0	n/a
Biodiversity Net Gain 2022-23*	N/A	0	0	0	0	n/a
Leisure Centres 2022-23	Reasonable	0	0	1	4	0%
Section 106 Agreements 2022-23	Substantial	0	0	0	3	0%
Estates 2022-23	Reasonable	0	0	2	9	0%
Future High Street Fund & Towns Fund	Limited	0	0	5	5	10%
Audit Committee Effectiveness	N/A	0	0	0	0	n/a
General Ledger – Data Analytics	Reasonable	0	0	3	0	0%
TOTALS		0	0	11	21	3%

Note - * indicates that the audit was completed in 2022/23 as part of that year’s plan and therefore not brought forward into 2023/24.

Anti-Fraud & Corruption	Assurance Rating - Not Applicable
<p>Time was agreed in the 2022-23 Internal Audit Plan to support the Council in the management and development of their response to anti-fraud and corruption matters. Officers from CMAP worked with the Council to advise them on the development and implementation of a sound control environment with a view to ensuring the Council's approach to anti-fraud and corruption matters continued to be developed and improved. Our work largely focused on attendance at the Anti-Fraud and Corruption Group meetings and consultation on associated agenda items, reports and policies, as well as feedback and advice on the Council's Fraud Risk Register.</p>	

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Biodiversity Net Gain Grant	Assurance Rating - Not Applicable
<p>Biodiversity net gain is about improving biodiversity by protecting existing habitats and ensuring that lost or degraded habitats are compensated for by enhancing or creating habitats that are of greater value to wildlife and people. As reported to the Audit Committee on 20 March 2023, time was agreed in the Internal Audit Plan for CMAP to certify a Biodiversity Net Gain Grant for 2022-23.</p> <p>The Department for Environment, Food and Rural Affairs required the spend for the Biodiversity Net Gain Grant be certified by Internal Audit and the Chief Executive. The audit ensured that the grant claimed was done so in accordance with the grant conditions set out in the Grant Determination.</p> <p>The grant was certified and returned to the Department by 30 March 2023 deadline.</p>	

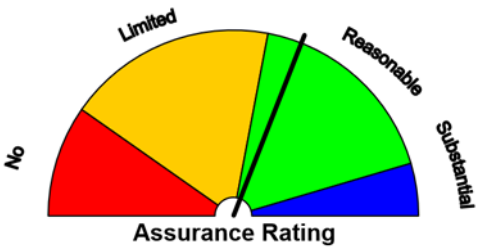
Leisure Centres 2022-23	<p>The Assurance Rating pie chart is divided into four segments: 'No' (red, approximately 15%), 'Limited' (yellow, approximately 35%), 'Reasonable' (green, approximately 40%), and 'Substantial' (blue, approximately 10%). A pointer indicates the current rating level.</p>			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
There are controls and processes in place for monitoring contract performance.	6	4	2	0
The controls and processes for Everyone Active complaints are effective and meet customer expectations.	3	2	1	0
The controls and processes for decision making and movement of funding have been followed and documented as required.	4	2	1	1
TOTALS	13	8	4	1
Summary of Weakness		Risk Rating	Agreed Action Date	
Everyone Active did not provide income and expenditure information, as required by the Service Specification.		Low Risk	31/05/2023	
The Health and Wellbeing Manager did not possess the skills and experience needed to identify issues during quarterly Property Audits, with practices and procedures that could cause issues with the fabric of the building or health and safety concerns.		Low Risk	30/04/2023	
The Council were not provided with the details of customer comments and complaints to ascertain if customers were satisfied with the services provided by Everyone Active.		Low Risk	30/04/2023	
A consultant engaged by the Council had approved changes to the Kirkby Leisure Centre contract, however, there was no evidence to demonstrate that he had delegated approval		Moderate Risk	30/04/2023	

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to make those changes. In addition, one change to contract had taken place without the appropriate Client Instruction being completed.	
The General Ledger had not been used as a commitments system and had not been reconciled to the cost reports provided by the Project Management Company each month.	Low Risk 30/04/2023

<h2>Section 106 Agreements 2022-23</h2>	<p style="text-align: center;">Assurance Rating</p>			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Policy and procedures relating to Section 106 agreements adhere to both Council policy and legislation.	3	3	0	0
Existing Section 106 agreements are monitored in accordance with the requirements of the agreement.	7	6	1	0
Incoming Section 106 funds are appropriately managed and allocated in a timely manner.	3	2	1	0
Expenditure of Section 106 funds is appropriate and meets the terms of the agreement.	2	2	0	0
TOTALS	15	13	2	0
Summary of Weakness		Risk Rating	Agreed Action Date	
A summary record showing the balance for all live Section 106 agreements was not available.		Low Risk	31/05/2023	
We found minor errors in the calculation of indexation for the Land at the Watnall Road development.		Low Risk	13/04/2023	
We found that the calculation method for interest on overdue payments did not take into account changes in the bank's base lending rate that occurred during the period the payment was overdue.		Low Risk	13/04/2023	

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Estates 2022-23	 <p style="text-align: center;">Assurance Rating</p>			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
There are appropriate and approved policies and procedures in place which are regularly reviewed and maintained.	2	1	1	0
There is effective property management for the current commercial tenancies, including the use of a property database and reconciliation of available properties.	8	2	3	3
There are effective arrangements in place for the charging and recovery of rent.	6	1	5	0
TOTALS	16	4	9	3
Summary of Weakness		Risk Rating	Agreed Action Date	
There was no formal commercial lettings policy to explain processes and guide decisions for new and current tenants.		Low Risk	31/12/2023	
The use of an application form for commercial letting was not being enforced, and the form required updating as it referred to outdated data protection legislation.		Moderate Risk	30/06/2023	
Pre-tenancy checks did not include credit checks, identity checks or Companies House checks. Testing also noted 3 occasions where current pre-tenancy checks could not be evidenced.		Moderate Risk	30/06/2023	
The new tenancy process had not been subject to independent review historically, due to staffing issues.		Low Risk	30/06/2023	
Termination procedures had not been followed for all the tenancy terminations completed between April 2022 and January 2023.		Low Risk	30/06/2023	
Procedures for property visits for tenancy terminations had not been consistently followed during the financial year.		Low Risk	30/06/2023	
The commercial property and tenancy information was stored in a spreadsheet. Spreadsheets have a number of inherent faults that make them susceptible to error where data could be inappropriately or accidentally amended or deleted without an audit trail.		Low Risk	31/03/2024	
Review of the calculations for the first invoice of new tenancies had identified one with a calculation error and one where the tenant had been given an unofficial reduction which had not been appropriately noted.		Low Risk	30/06/2023	

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The Council did not require rent deposits to be made before tenancies commenced.	Low Risk	31/03/2024
Tested noted properties which had not been subject to a rent review for a significant number of years, but their lease stated that a rent review should be undertaken every 2 years.	Low Risk	30/06/2023
Service charges had not been reviewed for a number of years and therefore didn't accurately reflect current costs.	Low Risk	31/12/2023

<h2>Future High Street Funds & Towns Funds</h2>	<p>The chart is a semi-circle divided into four segments: a red segment labeled 'No', a yellow segment labeled 'Limited', a green segment labeled 'Reasonable', and a blue segment labeled 'Substantial'. A pointer indicates the 'Assurance Rating'.</p>
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Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
The governance over the grant funding programme ensures that accountability, transparency, and effective control exist in the administration, approval and reporting for individual project and the entire programme.	12	5	6	1
Risks are identified and controls are in place to reduce risks or to detect vulnerabilities for each project including the overarching programme, and are reported to Cabinet.	4	2	2	0
The Council has ensured that long term benefits and drawbacks of each project have been taken into account.	2	1	1	0
TOTALS	18	8	9	1

Summary of Weakness	Risk Rating	Agreed Action Date
The Terms of Reference for the Discover Ashfield Board did not directly refer to the Towns Deal and the responsibility for the Board to ensure that projects are kept in line with the approved Town Investment Plan.	Low Risk	30/09/2023
A new Local Enterprise Partnership representative had been selected for Discover Ashfield Board membership, however they had yet to attend a meeting and were not included in the expected attendees on the minutes to the meeting.	Low Risk	30/06/2023
There was no requirement in the Local Assurance Framework to ensure that progress, risks and approvals of the Towns Deal programme and projects are reported to Cabinet.	Low Risk	30/10/2023
Testing noted that there were some documents unavailable to evidence the approval process had been followed.	Moderate Risk	30/06/2023

Ashfield District Council – Audit Progress Report

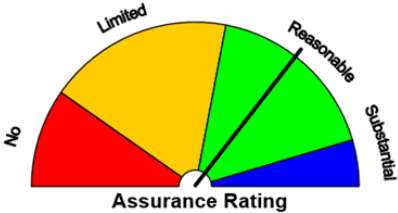
It was not evidenced in the minutes that the Discover Ashfield Board had approved a change to a business case before the Project Adjustment Request was submitted to the Department of Levelling up, Housing and Communities.	Moderate Risk	30/06/2023
Testing noted that delays in the delivery of the projects had not been reported to Council Cabinet or the Discover Ashfield Board.	Low Risk	30/06/2023
The Council's Cabinet did not receive reports on detailed expenditure updates.	Low Risk	30/10/2023
The reviewed and updated full programme risk register was not presented to every meeting of the Discover Ashfield Board and updated individual project risks were not submitted to the Board.	Moderate Risk	Implemented
Cabinet had not been informed of the risks to the Council should the projects and/or the programme fail.	Moderate Risk	30/10/2023
Exit strategies for individual project Business Cases were not being considered and documented as part of the business case development.	Moderate Risk	31/03/2024

<h2>Audit Committee Effectiveness</h2>	<p>Assurance Rating - Not Applicable</p>
<p>The audit focused on ensuring the Council's Audit Committee is complying with the Chartered Institute of Public Finance & Accountancy's (CIPFA) position statement on Audit Committees for Local Authorities and Police 2022. This statement is supported by the Department for Levelling up, Housing and Communities and the Home Office.</p> <p>The audit was undertaken on a consultancy basis as the Council were in a period of change; a local election had just taken place (May 2023) and membership of the Audit Committee was substantially changed following this.</p>	
<p>Summary of Weakness</p>	
<p>The Audit Committee Terms of Reference did not include right of access for the Audit Committee to constructively engage with other committees.</p>	
<p>The Terms of Reference did not specifically state the Audit Committee had the right to request reports and seek assurances from relevant Officers where the Audit Committee has concerns with reports submitted to the Committee.</p>	
<p>The Audit Committee had a delegated responsibility to approve the Council's statement of account. This does not adhere to the CIPFA recommendation not to have a delegated power as it takes the Audit Committee beyond its advisory role.</p>	
<p>The Audit Committee did not have any Co-opted Independent Members.</p>	

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<p>The last time any risk management report was submitted to the Council's Audit Committee was March 2022, which is over a year ago. Infrequent reporting on risk management weakens the Committee's ability to consider the effectiveness of risk management arrangements at the Council.</p>
<p>The Audit Committee did not receive regular updates on implementation status of the External Audit recommendations.</p>
<p>Only 5 out of the 12 Members serving the Audit Committee (in the period 2021 to 2023) had attended the Audit Committee training sessions provided. In addition, Audit Committee Members had not received any Risk Management Training.</p>
<p>There was no evidence that the Audit Committee had challenged the Executive (the Cabinet).</p>
<p>There were no private meetings or discussions between the Audit Committee and Internal Audit or External Audit.</p>
<p>The Council did not video record the meetings of the Audit Committees for transparency.</p>
<p>The Audit Committee had not evaluated its impact on the Council and its adherence to the CIPFA position statement to identify areas for improvement.</p>
<p>The Audit Committee did not compile an annual report detailing how they have complied with the CIPFA position statement for Audit Committees, discharged its responsibilities and assessed its own performance.</p>

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<h2>General Ledger – Data Analytics</h2>				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Procurement rules are in place and adhered to according to procurement thresholds and documentation recording this is up to date.	3	0	3	0
TOTALS	3	0	3	0
Summary of Weakness		Risk Rating	Agreed Action Date	
There were 10 suppliers with spend over £100,000 in the 2021-22 financial year where contracts had not been recorded in the contract register, and it could not be determined if contracts were already in place for all.		Moderate Risk	31/01/2024	
There were 35 suppliers with spend over £100,000 across the last five financial years where contracts had not been recorded in the contract register, and it could not be determined if contracts were already in place for all.		Moderate Risk	31/01/2024	
The contracts register was out of date and incomplete, missing some contracts held by the Council. Also, the Transparency Code was not fully complied with.		Moderate Risk	30/04/2024	

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RECOMMENDATION TRACKING

Final Report Date	Audit Assignments with Open Recommendations	Assurance Rating	Recommendations Open		
			Action Due	Being Implemented	Future Action
14-Feb-19	Risk Registers	Reasonable	0	1	0
24-Apr-18	ICT Performance Management	Reasonable	0	1	0
16-Aug-19	Fire Safety	Reasonable	0	1	0
12-Mar-19	Treasury Management & Banking Services	Reasonable	0	1	0
03-Dec-19	Data Quality & Performance Management	Reasonable	0	1	0
31-Jan-20	Information Governance	Reasonable	0	1	0
21-Jun-21	Management of Fraud Risk	Limited	0	9	0
10-May-21	People Management	Reasonable	0	4	0
21-Jun-21	Delegated Decisions	Reasonable	0	1	0
16-Aug-21	Teleworking Security	Reasonable	0	3	0
05-Oct-21	PCI Compliance in Organisational Transformation	Reasonable	0	2	0
28-Feb-22	Outdoor Recreation - Sports Bookings	Limited	0	4	0
29-Mar-22	Scrutiny	Reasonable	0	1	0
08-Apr-22	Accounting Systems 2021-22	Substantial	0	3	0
11-Jul-22	Planning	Reasonable	2	0	0
28-Jul-22	Housing - Data Quality 2022-23	No	2	6	0
25-Oct-22	Licensing 2022-23	Reasonable	0	3	0
10-Nov-22	IT Asset Inventory 2022-23	Limited	3	0	0
23-Jan-23	Health & Safety 2022-23	Limited	2	2	0
17-Apr-23	Leisure Centre 2022-23	Reasonable	5	0	0
21-Apr-23	Section 106 2022-23	Substantial	3	0	0
12-May-23	Estates	Reasonable	7	0	4
23-Jun-23	Future High Streets Fund & Towns Fund	Limited	4	0	5
06-Jul-23	General Ledger - Data Analytics	Reasonable	0	0	3
		TOTALS	28	44	12

Action Due = The agreed actions are due, but Internal Audit has been unable to ascertain any progress information from the responsible officer.

Being Implemented = The original action date has now passed and the agreed actions have yet to be completed. Internal Audit has obtained status update comments from the responsible officer and a revised action date.

Future Action = The agreed actions are not yet due, so Internal Audit has not followed the matter up.

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Audit Assignments with Recommendations Due	Action Due			Being Implemented		
	Significant Risk	Moderate Risk	Low Risk	Significant Risk	Moderate Risk	Low Risk
Risk Registers	0	0	0	0	0	1
ICT Performance Management	0	0	0	0	1	0
Fire Safety	0	0	0	0	1	0
Treasury Management & Banking Services	0	0	0	0	0	1
Data Quality & Performance Management	0	0	0	0	0	1
Information Governance	0	0	0	0	1	0
Management of Fraud Risk	0	0	0	0	1	8
People Management	0	0	0	0	0	4
Delegated Decisions	0	0	0	0	0	1
Teleworking Security	0	0	0	0	1	2
PCI Compliance in Organisational Transformation	0	0	0	0	0	2
Outdoor Recreation - Sports Bookings	0	0	0	0	0	4
Scrutiny	0	0	0	0	0	1
Accounting Systems 2021-22	0	0	0	0	0	3
Planning	0	2	0	0	0	0
Housing - Data Quality 2022-23	0	2	0	0	4	2
Licensing 2022-23	0	0	0	0	0	3
IT Asset Inventory 2022-23	0	0	3	0	0	0
Health & Safety 2022-23	0	0	2	0	0	2
Leisure Centre 2022-23	0	1	4	0	0	0
Section 106 2022-23	0	0	3	0	0	0
Estates	0	2	5	0	0	0
Future High Streets Fund & Towns Fund	0	2	2	0	0	0
TOTALS	0	9	19	0	9	35

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Highlighted Recommendations

The following recommendations, that have not yet been implemented, are detailed for Committee's scrutiny.

Being Implemented Recommendations

Information Governance	Rec No. 4
Summary of Weakness / Recommendation	Risk Rating
<p>Sensitive, personal data was being stored in locations which were not suitably restricted to only those officers with a genuine business need to access such information.</p> <p>We recommend that management take appropriate action to ensure that all personal, sensitive data is secured in files, within restrictive sub-folders, with access limited to only those officers who have a genuine business need to access such information.</p>	Moderate Risk
Management Response/Action Details	Action Date
<p>The IT Security Policy Framework is under review. As part of this review we will ensure it is updated to take account of GDPR requirements. Specifically, we will introduce the following measures to assist with ensuring access to data is suitably restricted to only those officers with a genuine business need to access such information:</p> <ul style="list-style-type: none"> - Starters/Transfers/Leavers E-Form – to be completed by the Section Manager. This form will identify access rights of starters, amendments for staff transferring internally and identify when staff leave the Council. This will be used in conjunction/cross-references with the report received from HR on a quarterly basis. - E-Form for completion by Managers/Directors for folder access changes. - Introduction of new file structure guidelines and cascade through ELT/ALT, DMTs and MOD. - Provision of Group Access Permission lists on a quarterly basis to Service Managers for checking and confirmation/amendment. IT to meet with individual Managers to confirm, amend and clarify what is required of Managers as part of this new process. 	30/06/2020
Status Update Comments	Revised Date
<p>Actions have been taken to restrict folders and files. Internal Audit will be reviewing these actions as part of the ICT Key Controls audit.</p> <p>We are currently in the process of migrating documents to Sharepoint/Teams which will introduce private channels. This will make it easier for managers to check who has access to the data held in them.</p>	30/06/2022

ICT Performance Management	Rec No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>Despite commitment to performance management in the Council's latest Technology Strategy, we could not find any documented performance management metrics and goals to support this. Similarly, performance metrics for IT did not appear to be subject to annual review, or agreed or monitored by the Council.</p> <p>We recommend that Management defines performance management metrics for the IT service, and implements policies and procedures for monitoring and reporting compliance. Metrics, goals and targets should also be subject to annual review.</p>	Moderate Risk

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Management Response/Action Details	Action Date
There is a review of the ICT Helpdesk due shortly where performance metrics will be defined and agreed.	01/09/2018
Status Update Comments	Revised Date
<p>The Service Manager for ICT has updated audit that a prerequisite for this recommendation is the implementation of a new helpdesk system which will have appropriate reporting capabilities.</p> <p>The first version of the ICT Service Desk software is now in place but ICT still need to review its reporting capabilities. The post of Service Desk Team Leader is currently being advertised.</p> <p>The Service Manager for ICT has requested a further extension whilst the newly appointed service desk team leader investigates the implementation of the recommendation.</p> <p>To be resolved with the implementation of the House on the Hill service desk application.</p>	30/11/2022

Teleworking Security		Rec No. 2
Summary of Weakness / Recommendation		Risk Rating
<p>Accounts with Remote Desktop Gateway access permissions were not always being disabled in a timely manner for leavers, creating data protection risks.</p> <p>We recommend that management defines, documents and implements a more comprehensive approach to disabling network access for former employees or 3rd parties. This could include populating the account expiration date in advance, once a leavers date has been agreed with the employee to reduce the risk of administrative error.</p>		Moderate Risk
Management Response/Action Details	Action Date	
We will review the process. We do have quite comprehensive processes in place but it is still possible to miss people leaving in the short term (they should get detected later due to another process). We will review each part of the process to ensure they are being carried out properly and look at implementing the "expiration date" where possible.	01/10/2021	
Status Update Comments	Revised Date	
Process is to be documented and added to Service Desk guidelines. 3rd party accounts are not left active when not in use. It will be raised that we need a proper process in place once HR comes back into the Council.	30/09/2022	

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Fire Safety	Rec No. 5
Summary of Weakness / Recommendation	Risk Rating
<p>Not all entrance doors to flats comply with Fire Safety Regulations.</p> <p>We recommend that the Council reviews all flat entrance doors to identify those which do not comply with Fire Safety Regulations, or those that have failed recent government tests. The Council should then take action to ensure the appropriately accredited fire safety doors are installed at the entrances to all flats.</p>	<p>Moderate Risk</p>
Management Response/Action Details	Action Date
<p>An assessment of all flat entrance doors has been completed and the results forwarded to the Assets & Investment Section for building into future door replacement programme(s). However, due to uncertainties around the manufacture, testing, certification and subsequent affected supply of composite fire doors, it is currently not possible to identify a definitive timescale for completion. The option to use alternative timber fire doors of the appropriate fire safety standards and specification are currently being looked into.</p>	<p>31/03/2020</p>
Status Update Comments	Revised Date
<p>Standard fire doors (majority); installations to commence 07/02/22.</p> <p>The works are not yet complete. We have continued to have difficulties in terms of supply to source doors which comply with the regulations and at a fair price and meet other requirements. We have also had difficulty with closing strengths of doors (which stopped us from fitting Sherwood Court doors previously).</p> <p>We are making progress in terms of sourcing suppliers and our Contractor, J Tomlinson are hoping to fit the remaining doors as follows:-</p> <ul style="list-style-type: none"> • Leaseholder fire doors (Feb/March) • Sherwood Court doors (requiring additional works to the door heads and surrounds up to ceiling height (March/April) • Fire doors with sidelights (April/May). 	<p>31/05/2023</p>

Management of Fraud Risk	Rec No. 6
Summary of Weakness / Recommendation	Risk Rating
<p>The Council did not have trained fraud investigators with professional accreditation to review and investigate all areas of potential fraud.</p> <p>We recommend that the Council ensure they have access to fully trained fraud investigators, who can be called upon to investigate any areas of suspected fraudulent activity.</p>	<p>Moderate Risk</p>
Management Response/Action Details	Action Date
<p>The Council will consider how to access a suitably trained fraud investigator.</p>	<p>30/04/2022</p>
Status Update Comments	Revised Date
<p>Action still being progressed.</p>	<p>31/03/2023</p>

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Housing Data Quality 2022-23	Rec No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>Components were not automatically updated in the Capita Housing System following repairs and maintenance work tickets being completed. The manual process had led to instances of inaccuracy and inconsistency in the data sets maintained in the System.</p> <p>We recommend that all components are reviewed to ensure they show accurate data, and that the Council consider looking into an automated process so completed repairs and maintenance jobs directly update the component Masterfile within the Capita Housing System.</p>	<p>Moderate Risk</p>
Management Response/Action Details	Action Date
<p>Current component data to be extracted and cleansed.</p> <p>New Schedule of Rates (SOR) codes to be created to mirror components used.</p> <p>New Totalmobile (TM) forms to be created to enable direct/automatic upload from works completed on site into the Capita system.</p> <p>Creation of role to ensure Capita data is reconciled, accurate and relevant.</p>	<p>31/03/2023</p>
Status Update Comments	Revised Date
<p>Review and cleanse of Components and attribute data is complete and ongoing, as above.</p> <p>Surveyors now using Total Mobile to update components in OPEN while on site (stock condition surveys). Outside of this, Components should be updated by the repairs admin team – they have a process in place. Component Data has been reviewed and updated to ensure they are accurate</p> <p>Some of this could be new functionality (automatically updating the component based on the SOW used) but the repairs team have been informed about how the system works and should be updating component data in OPEN.</p> <p>New career graded role has been created and added to establishment – now in recruitment.</p>	<p>30/06/2023</p>

Housing Data Quality 2022-23	Rec No. 2
Summary of Weakness / Recommendation	Risk Rating
<p>Testing identified that windows component data was not always being updated, or updated completely and accurately, in the Capita Housing System following completion of routine planned maintenance works.</p> <p>We recommend that the Council put in place processes to ensure all planned maintenance works are updated accurately in the components on the Capita Housing System. The Council should consider developing an automated process so component data for completed planned maintenance works are directly updated within the Capita Housing System without the need for manual data entry.</p>	<p>Moderate Risk</p>
Management Response/Action Details	Action Date
<p>Current component data to be extracted and cleansed.</p> <p>Work undertaken by Major Works contractors is currently in the process of being automated with direct input to capita via SOR's.</p> <p>Creation of role to ensure Capita data is reconciled, accurate and relevant.</p>	<p>31/03/2023</p>
Status Update Comments	Revised Date
<p>Works completed by the contractor are being updated as part of the current repairs interfaces, however components still have to be updated manually.</p>	<p>30/06/2023</p>

Ashfield District Council – Audit Progress Report

We can automate this so that the SOR updates the components automatically, however the team have been working on other priorities (i.e. correcting the component data).

We will speak to the repairs team to identify which component gets updated for each programme of works – then we can set the job (SOW) to update the component automatically on completion.

Housing Data Quality 2022-23	Rec No. 4
Summary of Weakness / Recommendation	Risk Rating
<p>There were three different components for electrical testing within the Capita Housing System, all containing inconsistent information and possible errors.</p> <p>We recommend that any duplicated components are made 'historical' in the System and that processes are put in place to ensure the current component is updated in a timely manner following electrical condition testing activities.</p>	<p>Moderate Risk</p>
Management Response/Action Details	Action Date
<p>Current component data to be extracted and cleansed.</p> <p>A new service contract has been introduced which will present new (rationalised) coding to capita.</p> <p>As also effects Decent Homes data detailed testing is required to ensure the integrity of the DHS calculation.</p> <p>Creation of role to ensure Capita data is reconciled, accurate and relevant.</p>	<p>31/10/2022</p>
Status Update Comments	Revised Date
<p>The Electrical Components have been tidied up and duplicates removed.</p> <p>Gas and Electric used to be completed on one job. In order to update components automatically once a job is complete we will need to do some more work this is additional functionality.</p>	<p>30/06/2023</p>

Housing Data Quality 2022-23	Rec No. 9
Summary of Weakness / Recommendation	Risk Rating
<p>The personal and sensitive data stored in the Capita Housing System, may be out of date as it was obtained at the point of tenancy application and not refreshed thereafter.</p> <p>We recommend that the personal and sensitive data included in the Capita Housing System is reviewed to ensure it is accurate and up to date. Any personal and sensitive data not required should be deleted from the System.</p>	<p>Moderate Risk</p>
Management Response/Action Details	Action Date
<p>Data characteristics to enable accurate profiling to be determined.</p> <p>Current data to be extracted and cleansed.</p> <p>Rolling programme of collection and deletion to be established.</p> <p>Creation of role to ensure Capita data is reconciled, accurate and relevant.</p>	<p>31/03/2023</p>
Status Update Comments	Revised Date
<p>Data has been extracted, the information reviewed and a report has been completed on needs to be done. This report will be discussed at the Housing Regulation Management Team Meeting on the 22nd May, at which point a realistic timeframe will be decided.</p>	<p>31/05/2023</p>

Ashfield District Council – Audit Progress Report

Action Due

Planning	Rec No. 2
Summary of Weakness / Recommendation	Risk Rating
There were no processes in place that enabled management to monitor progress against tasks detailed on the Local Plan Work Programme. We recommend that management is provided with performance information, linking to the Local Plan Work Programme, from the Forward Planning Team on a regular basis.	Moderate Risk
Management Response/Action Details	Action Date
The team will be asked to provide a monthly report to the Assistant Director on a monthly basis.	31/07/2022
Status Update Comments	Revised Date

Planning	Rec No. 1
Summary of Weakness / Recommendation	Risk Rating
There was a lack of audit trail regarding changes made to the Local Plan Work Programme and the status of tasks completed. We recommend that the Forward Planning Team ensure that there is an audit trail of changes to the Work Programme and the status of each task. The Work Programme should be updated regularly.	Moderate Risk
Management Response/Action Details	Action Date
This will be developed in the interim, but a key focus of the new team Manager will be project management of the work programme	31/10/2022
Status Update Comments	Revised Date

Housing Data Quality 2022-23	Rec No. 5
Summary of Weakness / Recommendation	Risk Rating
Data Matching and testing identified that the smoke detector component fields within the Capita Housing System do not accurately reflect the true status of the smoke detectors in Council properties. We recommend that the smoke detector components are updated to ensure they accurately reflect the status of each smoke detector and that a process is developed to ensure they continue to be updated. This process should ensure data quality checks are performed to ensure accuracy and completeness of smoke detector component data maintained within the Capita Housing System.	Moderate Risk
Management Response/Action Details	Action Date
Current component data to be extracted and cleansed. System is already partly automated; however acceleration of the programme means that both in-house and contractors are installing alarms meaning the use of both TM for in-house and a data loader for contractor. Creation of role to ensure Capita data is reconciled, accurate and relevant.	30/11/2022
Status Update Comments	Revised Date

Ashfield District Council – Audit Progress Report

Housing Data Quality 2022-23	Rec No. 10
Summary of Weakness / Recommendation	Risk Rating
<p>Access to the various Excel spreadsheets used to record component works such as checks, installations and replacements, had not been appropriately restricted.</p> <p>We recommend that management reviews the permissions on the folders storing the Excel spreadsheets that currently represent a master copy of component related works. Where possible, access to amend the data in the files should be significantly restricted, and other users where appropriate should only be given read only access permissions.</p>	<p>Moderate Risk</p>
Management Response/Action Details	Action Date
<p>All housing folders to be reviewed for permissions/restrictions NB needs to be measured against the move to SharePoint /Windows 365 as to the appropriate time to enact.</p> <p>IT to restrict access to housing specific folders (file holding areas) to a list of identified users, preferably belonging and controlled by departmentally assigned Active Directory group(s).</p>	<p>31/10/2022</p>
Status Update Comments	Revised Date

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Agenda Item 9

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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