

INTERNAL AUDIT PROGRESS REPORT

RUSHCLIFFE BOROUGH COUNCIL

JUNE 2023

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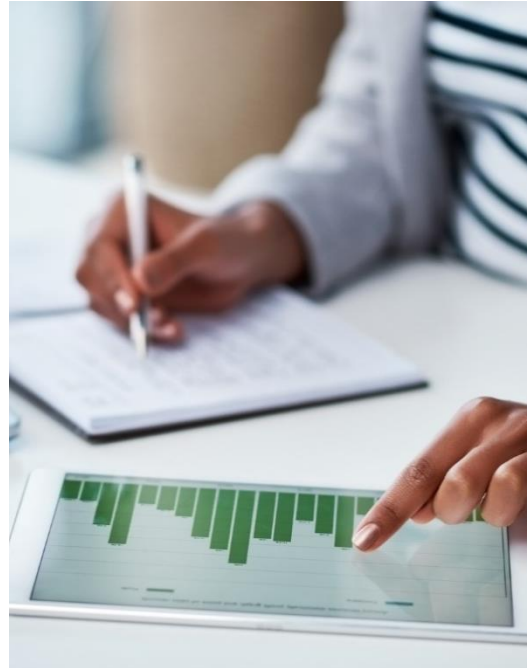
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SUMMARY OF 2022/2023 WORK

INTERNAL AUDIT

This report is intended to inform the Governance Scrutiny Group of progress made against the 2022/2023 internal audit plan and the 2023/24 internal audit plan. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised. Our work complies with Public Sector Internal Audit Standards. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.



INTERNAL AUDIT METHODOLOGY

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in Appendix 1 of this report, and are based on us giving either 'substantial', 'moderate', 'limited' or 'no'. The four assurance levels are designed to ensure that the opinion given does not gravitate to a 'satisfactory' or middle band grading. Under any system we are required to make a judgement when making our overall assessment.

2022/2023 INTERNAL AUDIT PLAN

We have substantially completed the work for the 2023/2024 internal audit plan, and we are pleased to present the following reports to this Governance Scrutiny Group meeting:

- ▶ Channel Shift
- ▶ Safeguarding
- ▶ Sustainable Warmth Funding
- ▶ Follow Up Report
- ▶ Head of Internal Audit Opinion

2023/2024 INTERNAL AUDIT PLAN

As part of the 2023/24 internal audit plan we have completed and are pleased to present the following report to the Governance Scrutiny Group:

- ▶ Fraud Report.

We have commenced our scoping and planning of audits for 2023/24 reviews and expect to present the following reports the next Governance Scrutiny Group meetings:

- ▶ Reconciliations
- ▶ Main Financial Systems
- ▶ Markets.

REVIEW OF 2022/2023 WORK

AUDIT	AUDIT COMMITTEE	PLANNING	FIELDWORK	REPORTING	DESIGN	EFFECTIVENESS
Fraud Report	June 2022	✓	✓	✓	N/A	N/A
Project Management (1)	September 2022	✓	✓	✓	M	S
Environment	September 2022	✓	✓	✓	S	M
Risk Management	September 2022	✓	✓	✓	S	S
Health and Wellbeing	November 2022	✓	✓	✓	M	M
Safeguarding	June 2023	✓	✓	✓	S	M
Main Financial Systems (MFS)	February 2023	✓	✓	✓	S	S
IT Asset Management	November 2022	✓	✓	✓	M	S
Sustainable Warmth Funding	June 2023	✓	✓	✓	S	S
Channel Shift	June 2023	✓	✓	✓	S	S
Project Management (2)	TBC	✓	✓			



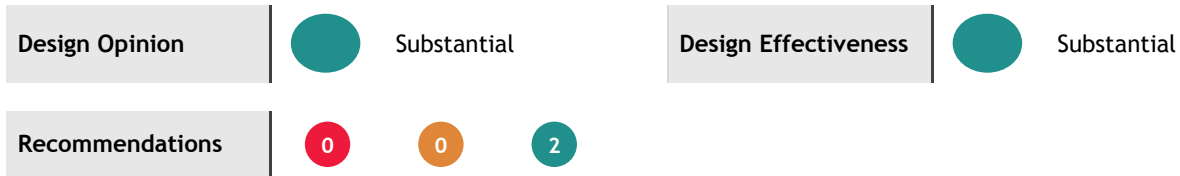
REVIEW OF 2023/2024 WORK


AUDIT	AUDIT COMMITTEE	PLANNING	FIELDWORK	REPORTING	DESIGN	EFFECTIVENESS
Country Parks Income	February 2024	✓				
Fleet Management & Air Pollution	February 2024	✓				
Fraud Report	June 2023	✓	✓	✓	N/A	N/A
Governance of Partnership Arrangements	November 2023	✓				
IT General Controls	June 2024	✓				
Main Financial Systems	September 2023	✓				
Markets	September 2023	✓				
Reconciliations	September 2023	✓				
Rushcliffe Oaks Crematorium - Income	June 2024	✓				



CHANNEL SHIFT

CRR REFERENCE: FAILURE TO DELIVER THE TRANSFORMATION STRATEGY





SCOPE

BACKGROUND

Local authorities are transferring customer communication to digital platforms on an increasing basis to improve the service for residents, and to reduce costs.

Rushcliffe Borough Council’s (RBC’s) ICT Digital Strategy 2019- 2023 outlines that its approach is to continue to encourage a digital culture and empower its residents when accessing Council services without removing existing access channels. The strategy is based on central government’s Government Transformation Strategy, and echoes the same principles:


- ▶ Be accessible and easy to use
- ▶ Save time and money for residents and the Council
- ▶ Be relevant and informative
- ▶ Be secure and have privacy safeguards in place
- ▶ Take advantage of Cloud technology where possible.

The Council has already undertaken significant channel shift work during its ‘Digital by Default’ programme between 2014-17, which covered developing e-forms, customer contact analysis, web development and back-office integration.

The Council does not have a specific channel shift strategy, however the concept of channel shift is managed predominantly via the Customer Access Strategy, which sets out the Council’s approach to channel shift and details the common forms of access to Council services at the time of writing the Strategy. The ICT Digital Strategy also supports channel shift activity via all four of its core priorities (‘enabling a digital culture’; ‘efficiencies and reducing overall costs’; ‘customer satisfaction’ and ‘security and privacy’).

AREAS REVIEWED

This audit focused on the channel shift activities undertaken at the Council. This included an assessment of the adequacy of the Council’s Customer Access Strategy and whether performance targets and objectives are in place. We have also assessed the arrangements in place for collecting data and presenting trends to support channel shift activities.





AREAS OF STRENGTH

During our review, we identified the following areas of good practice:

- ▶ The Council has a dedicated Customer Access Strategy that was updated and introduced in 2022. This strategy sets out the Council’s approach to channel shift and outlines clear objectives for channel shift. The four themes of the strategy include embedding further self-service, reviewing and building on partnerships, building on and exploring innovation and listening and responding
- ▶ Reporting on channel shift is conducted for both the Customer Access Strategy and the Digital Access Strategy. The Digital Strategy is reported on a monthly basis to the Executive Management Team (EMT) while the Customer Access Strategy is reported on a quarterly basis to EMT

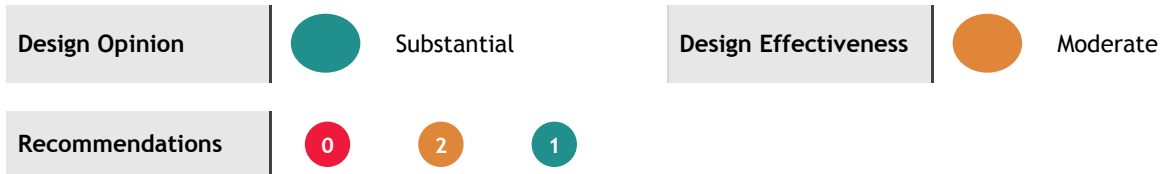
▶ Within the Customer Services report, it was noted that customers contacting the Council through contact points and through phone calls had shown a decreasing trend over 2022 while the number of visitors to the Council’s website averaged 800 visits during each month of 2022. This shows alignment between customer needs and the Customer Access Strategy.

 AREAS OF CONCERN	Finding	Recommendation and Management Response
	Channel shift savings from the actions/projects have not been collated into the Transformation Strategy to support monitoring of the savings impacts from projects (Finding 1 - Low)	The Council should look at collating its various savings and costs associated with channel shift and articulate this more via Transformation Strategy. Although we recognise that the financial savings are being achieved and monitored, it would be beneficial to ensure this is clearly stated through the Transformation Strategy.
	SMART (specific, measurable, achievable, realistic and time-bound) KPIs have not been identified for each of the 10 actions from the Customer Services Action Plan (Finding 2 - Low)	SMART KPIs should be identified for the 10 actions identified in the Customer Services Action Plan, included within the Customer Access Strategy. These should identify measurable targets to support effective oversight of the delivery of the strategy, allowing management and members to assess whether actions are achieving the desired effect.

 CONCLUSION	
	<ul style="list-style-type: none"> ▶ We have raised two Low priority recommendations to improve the Council’s arrangements for channel shift ▶ Overall, the Council is in a good position with regards to channel shift. There are clearly defined objectives in place for channel shift within the Customer Access strategy and progress against this is being reported to EMT ▶ However, control gaps were identified with regards to anticipated channel shift savings not being articulated, a lack of business cases for projects undertaken in relation to channel shift and supporting data and key performance indicators not being clear. This leads us to conclude Substantial assurance over the design of the controls and control effectiveness for the channel shift.

SAFEGUARDING

CRR REFERENCE: FAILURE TO SAFEGUARD CHILDREN AND VULNERABLE ADULTS



SCOPE

BACKGROUND

The term safeguarding refers to an organisation's responsibility to protect people whose circumstances make them particularly vulnerable to abuse, neglect or harm. Safeguarding is a statutory duty and is the responsibility of local authorities and partner agencies.

District and borough councils do not have the same level of safeguarding responsibilities as unitary or county authorities who provide adults and children's social care services. Borough councils must however work effectively with county councils and other partners in relation to safeguarding. As distinct organisations, they must ensure that effective policies, reporting procedures, training and information recording in relation to safeguarding is in place.

Section 11 of the Children Act 2004 places a statutory duty on the Council to make arrangements for ensuring that its functions and services are discharged with regard to the need to safeguard and promote the welfare of children.

There is a county-wide Safeguarding Policy in place and the Multi-Agency Safeguarding Hub (the MASH) is the first point of contact for all safeguarding concerns regarding vulnerable children and adults raised by professionals, members of the public or family members within Nottingham.

Adult safeguarding at the Council is managed through the internal safeguarding steering group, and the Council also links into the Nottinghamshire Safeguarding Adults Board (NSAB) via the CEO of Broxtowe Borough Council who acts as a representative for all the district councils. The NSAB is made up of representatives from various organisations including the Police, Crown Prosecution Service, NHS, local authorities, and voluntary organisations. The NSAB meets with a wider partnership of agencies twice a year to check the Board's progress, provide support and guidance to the Board, and to raise awareness of key issues relating to safeguarding.

Child safeguarding at the Council is also managed through the internal safeguarding steering group, as well as linking into the Nottingham City Safeguarding Children Partnership (NCSCP) Board.

'Easements' to services were allowed under the provisions of the Coronavirus Act 2020 emergency legislation and instances of abuse and or neglect were expected to have increased during lockdown. It had a marked impact on referral numbers and a report to the Council's Communities Scrutiny Group in July 2021 stated that in 2020-21 there were 6,698 Safeguarding Referrals which is 884 (15%) more than the previous year, this being the most safeguarding referrals on record.

AREAS REVIEWED

The following areas were covered as part of this review:

- ▶ We reviewed whether the Council has clear safeguarding policies which comply with statutory requirements
- ▶ We confirmed if there are clear processes and responsibilities for reporting safeguarding queries and overall responsibilities are in place
- ▶ We reviewed if the Council has mapped sufficiently its functions to identify risk areas in relation to safeguarding and has implemented adequate controls (eg enhanced DBS checks in recruitment)
- ▶ We confirmed if the internal steering group has a clear purpose and proactively seeks assurance that adequate safeguarding controls are in place
- ▶ We sought to confirm whether the Council works effectively with the Nottinghamshire Safeguarding Adults Board (NSAB) and Nottingham City Safeguarding Children Partnership (NCSCP) Board

▶ We confirmed if the Council had completed a Section 11 self-assessment form.



AREAS OF STRENGTH


- ▶ The Council uses the County safeguarding policy which is updated regularly and available online to all staff and the wider public. It contains an introduction to safeguarding, explaining key definitions, confirms the aims of the policy, procedures and scope. The policy covers both adults and children and for each it explains how to raise a concern, the referral process and how it is recorded. The policy references to key safeguarding legislation
- ▶ The Council has an up to date Recruitment and Selection Policy (last updated in May 2022). The Policy states that certain roles may be required to have a DBS check before employment can be offered
- ▶ The Council has completed a Section 11 assessment and identified areas of improvement for areas rated a RAG rating of Amber
- ▶ The Terms of Reference for the Internal Steering Group clearly defines the role and responsibilities of the Group.



AREAS OF CONCERN

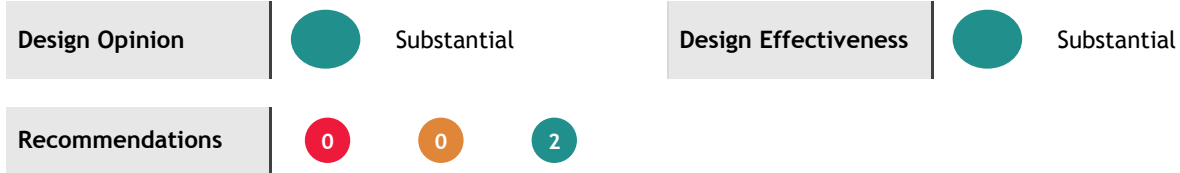
Finding	Recommendation and Management Response
Major delivery partners are not attending the internal Steering Group (Finding 1 - Medium)	<p>The attendance of major deliver partners in particular Leisure Services should be monitored by the Designated Safeguarding Lead, and continuous non-attendance should be highlighted and raised to the individuals and their line management if necessary.</p> <p><u>Management Response</u></p>
The Council’s safeguarding e-learning has not been completed by 40 of a possible 201 (20%) staff members (Finding 2 - Medium)	<p>a) The Council should keep on reminding staff to complete the training and stress the importance of completion. The Council should consider incorporating the necessity of this completion within the appraisal process</p> <p>b) Once all Staff have completed the training, monitoring should be undertaken to ensure that refresher training is also completed every two years.</p> <p><u>Management Response</u></p> <p>Accept that ideally all staff should complete the safeguarding training and further regular reminders will be sent out to staff. The e-learning system is set up to send a reminder to staff a month before the 2 year refresher training is due to be completed.</p> <p>Target Date: 31/05/2023</p>
The Council do not undertake annual/periodic checks with all service managers to ensure that all staff requiring a DBS check have had one completed (Finding 3 - Low).	<p>The Council should, at least annually, contact each service manager to ensure that all staff that have direct contact with children, through their job role, have a DBS check and that the certificate is retained in a central file. It should also confirm that DBS certificates of staff remain valid and have not passed the expiry date.</p> <p><u>Management Response</u></p>

		<p>Annual reviews will be completed by HR with the appropriate managers to check compliance with DBS checks. This will be reported into the Steering Group.</p> <p>Target Date: Completed</p>
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 CONCLUSION	<ul style="list-style-type: none"> ▶ Overall, we noted some good practices in relation to the Council’s management of safeguarding in particular having a clear policy and completing a Section 11 assessment. ▶ However, the Council does not undertake periodic checks with line managers to ensure that staff with direct contact with children have had a DBS check. Although, this has since been implemented during the review. Furthermore, whilst the Council has an internal steering group where discussions on safeguarding concerns are raised with delivery partners, the Council is failing to ensure that key personnel are attending the meetings. ▶ This has led us to conclude a Substantial assurance over the design of the controls and a Moderate assurance over the operational effectiveness of controls.
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SUSTAINABLE WARMTH

CRR REFERENCE: FAILURE TO PREVENT OR DETECT FRAUD AND CORRUPTION




SCOPE

BACKGROUND

The Department for Business, Energy, and Industrial Strategy (BEIS) ran a Sustainable Warmth Competition from June to August 2021, which invested over £430 million across 57 projects to help local authorities upgrade energy inefficient homes of low-income households in England.

The aim of the funding is to improve the energy performance of homes up to band C, to take homes out of fuel poverty where possible and deliver progress towards the UK’s commitment to Net Zero by 2050. The projects were to start in early 2022 and complete by March 2023.

The competition combines two existing fuel poverty schemes into one funding opportunity: the Local Authority Delivery Phase 3 (LAD3) - supporting low income households heated by gas mains and the Home Upgrade Phase 1 (HUG1) - supporting low income households off the gas grid.

Rushcliffe Borough Council (RBC) was successful in securing funding as part of the Nottingham City Council consortium, which was awarded a total of £82.44m. RBC received the following funding:

FUNDING	CAPITAL	ADMINISTRATIVE ALLOCATION (ADMIN AND ANCILLARY)
HUG 1	£205,000	£20,500
LAD 3	£565,000	£56,500

Local authorities that receive funding have the responsibility of ensuring that all installers or delivery partners collect and provide appropriate information specified by BEIS to support monitoring and evaluation.


RBC procured E-ON to support on the delivery of the works for the sustainable warmth grant issue. E-ON are responsible for providing a fully managed solution for the delivery model and managing the project to ensure full compliance and delivery. Additionally, E-ON’s Management team will hold the responsibility for retaining all records, completion certificates and accreditations to ensure operational, commercial, and reputational risk are considered and managed.

This purpose of this audit is to provide assurance over the design and operational effectiveness of the controls relating to the application of the grant funding and reporting back to BEIS. It is a requirement from the government that an independent audit review is conducted on the issue of the sustainable warmth grant.

AREAS REVIEWED


The following areas were covered as part of this review:

- ▶ We reviewed the Memorandum of Understand between Nottingham City Council and BEIS to verify RBC are complying with the grant conditions.
- ▶ We reviewed the contract information between the contractors (E-On) to confirm that responsibilities are clear and that both parties compliant with the agreement
- ▶ We reviewed three monthly performance reports which were issued to the Midlands Net Zero Hub to ensure KPIs have been established
- ▶ To confirm how the data on the performance reports is validated by the Council
- ▶ To verify if the Council were compliant with the criteria stated in the sustainable warmth funding allocation proposal award letter.




AREAS OF STRENGTH

- ▶ We reviewed the grant proposal letter issued by Nottingham City Council stating the grant is provided to RBC by the Midlands Energy Hub. The proposal outlined the BEIS and sustainable warmth grant (SWG) conditions. It was signed by the Director of Carbon Reduction, Energy and Sustainability at the Midlands Energy Hub and the Director, Neighbourhoods and DCE at RBC
- ▶ A requirement stated within the proposal is that RBC must submit a development plan for their first project to the Midlands Energy Hub by 28 February 2022. RBC were compliant by submitting the plan at the required date which was approved by the Environment Team Manager and approved by the Deputy Chief Executive. The Plan contains a robust level of detail on the project, procurement and funding
- ▶ Discussions with the Environment Team Manager stated that each property is registered with Trust Mark PAS:2035 which is established in conjunction with Government, industry and consumer protection bodies and was appointed a master license by the Department of BEIS in 2005. The PAS 2035 standard introduced newly defined and qualified roles including the Retrofit Assessor and Retrofit Coordinator. The aim of this scheme is to ensure that scheme providers work with Trust Mark to deliver a robust level of quality and protection to customers. The Trust Mark operating framework requirement states under the PAS:2035, Retrofit Coordinator or Retrofit Assessor Scheme Providers must conduct on-going checks and monitoring must occur for each registered property on-site. The monitoring must include compliance with relevant specific standards, codes of practice and scheme rules. The Environment Team Leader relies on this scheme to ensure the data provided in the performance reports is valid as a Retrofit Coordinator must manage each property under the scheme
- ▶ Every Quarter, the Environment Team Manager completes an on-site walkthrough inspection of 2-3 samples to examine if the work has been completed or in progress. RBC carry out this inspection to confirm if the data in report provided from E.ON is an accurate reflection of the work carried out.



AREAS OF CONCERN

Finding	Recommendation and Management Response
<p>The E.ON contract proposal we reviewed related to the LAD 2 issue of the grant, as this contract was rolled over for the LAD 3/HUG 1. Although aspects of the grant maybe similar, the previous contractor’s proposal is not identical to the Sustainable Warmth Grant due to the different value in funding and HUG not existing in the previous issue. The Council should request a new contract from E. ON to ensure the costings and completion of the grant work is consistent to the data provided to BEIS (Finding 2 - Low).</p>	<p>If further funding is secured, the Council should request E.ON to create an amended contract that directly applies to the SWG. This should be signed by both parties and RBC should retain a copy and financial information to be reconciled.</p> <p>Target Date: 31/07/2023</p>
<ul style="list-style-type: none"> ▶ The Letter of Intent (LOI) governs the relationship between RBC and E.ON. Whilst it was signed by RBC in July 2022, RBC does not have a completed copy where both parties have signed to indicate there is a binding contractual agreement (Finding 3 - Low) ▶ A document outlined in the LOI which comprises as forming the contract is the JCT Intermediate with Design Contract 2016. We requested the document from the Council to review and whilst it vaguely outline E.ON’s responsibility, it was not in a finalised form and not signed by both parties (Finding 3 - Low). 	<p>When the council receive similar grants in the future and outsource the works to a third party, finalised contracts must be obtained and retained.</p> <p>Target Date: 31/07/2023</p>



CONCLUSION

- ▶ Whilst RBC are compliant with BEIS grant conditions in some respects, such as submitting the development plan at the required deadline to BEIS. RBC are missing key documents to display E.ON are responsible for delivering the SWG works which may result in a confusions in areas such as costing and KPI reporting

- ▶ Due to the Government Trust Mark PAS:2035 scheme and outsourcing the works to a reliable third party we have no reason to believe RBC are misusing the grant monies
- ▶ The Team Manager informed us the scheme has been delivered and the Council are in the process of a negotiating an extension an extension to receive additional funding to deliver beyond
- ▶ This led us to conclude a substantial opinion on the control design and effectiveness.

SECTOR UPDATE

This briefing summarises recent publication and emerging issues relevant to local government that may be of interest to your organisation. It is intended to provide a snapshot of current issues for senior management and Members.

LOCAL GOVERNMENT ASSOCIATION HAVE COMMISSIONED SHARED INTELLIGENCE TO PROVIDE SUPPORT WITH LEP

The Local Government Association (LGA) have commissioned Shared Intelligence (SI) to provide support for councils and combined authorities undertaking Local Enterprise Partnership (LEP) integration and to share good practice/learning. LEPs were established in 2010 and originally conceived as local business-led partnerships between the private and public sector that would drive local economic growth. This commission flowed from the Levelling Up white paper and subsequent ministerial letter in March 2022.

The role of LEPs increased significantly in 2015 when they were handed responsibility for £12 billion local growth deal funding over six years. They also led the development of strategic economic plans and then local industrial strategies, with mayoral combined authorities in relevant areas, under the government's national Industrial Strategy.

LEPs saw a rapid expansion of their role, followed by an incremental tailing off of central support and funding. In 2016, a National Audit Office (NAO) report noted that: "funding uncertainty has also made it difficult (for LEPs) to recruit and retain skilled staff." That theme has continued, and 'uncertainty' is a word that has been integral to the LEP experience.

Arrangements vary from place to place and in some areas, local authorities have been playing a strong role alongside LEPs in supporting their delivery work. There is an important policy question about where accountability for local economic growth should sit and the budget announcement was couched in terms of an opportunity to empower democratically elected local leaders. The research has identified that areas not subject to a devolution or 'county' deal will need to accelerate integration plans, with key benefits to be obtained from more integration including: clarity of economic vision, efficiency gain and proactive working with business.

[Supporting the integration of Local Enterprise Partnerships | Local Government Association](#)

FOR INFORMATION

For the Governance and Scrutiny Committee Members and Executive Directors

LGA PUBLICATION FOR HEAT AND BUILDING DECARBONISATION BY 2050

The UK Government has recognised the value of local level actors and has committed to exploring the opportunities and challenges presented by local area energy (mapping) planning, as well as outlining the vital importance of local stakeholders to the energy transition in both the Heat and Buildings Strategy and Net Zero Strategy. A high-level partnership framework across three stages has been proposed and comprises the accelerating local action on fuel poverty and social housing between 2023 and 2026, accelerating local decarbonisation delivery between 2026 and 2029 and accelerating local demand aggregation 2030 and 2035.

There are many challenges to achieving heat and buildings decarbonisation including the multifaceted and complex nature of heat decarbonisation covers multiple policy areas across government, for example building standards, skills and planning. The Government aim to agree a funding deal with each council by the end of 2023, providing greater autonomy on how they work towards delivering the overall objective of accelerating local action on fuel poverty and social housing

The social housing decarbonisation fund was introduced in support of the Government's Heat and Building Strategy. This offers a total of £3.8 billion up to 2030 and is distributed across different waves.

[Green heat - achieving heat and buildings decarbonisation by 2050 | Local Government Association](#)

FOR INFORMATION

For the Governance and Scrutiny Committee Members and Executive Directors

COUNCIL LEADER CRITICISES THE 'EASE' OF PUBLIC WORKS LOAN BOARD BORROWING

The Leader of Woking Borough Council has said the ease with which councils could borrow money from the Public Works Loan Board (PWLB) has been an “issue”. They further commented that “Clearly proposals have to go through council committees and procedures but beyond that, the money was getting signed off by the finance officer of the council. I think that has been the issue.”

Rob Whiteman, chief executive of the Chartered Institute of Public Finance and Accountancy (CIPFA), said that steps taken in recent years to strengthen the prudential code and the borrowing rules for councils “means that the casino-style investments that some councils have made, has been brought to an end”. “But it may be that some other councils have made terrible commercial decisions before the regime was tightened,” he added.

One of the key changes to the Prudential Code in the 2021 edition was to explicitly state that authorities must not borrow to invest primarily for financial return.

Woking leader criticises ‘ease’ of PWLB borrowing | Local Government Chronicle (LGC) ([lgcplus.com](https://www.lgcplus.com))

FOR INFORMATION

For the Governance and Scrutiny Committee Members and Executive Directors

PARTNERSHIP WORKING - REMOVE THE RISK FROM INCOME GENERATION

Chief executive of Norse Group, Justin Galliford, has stated that partnership working offers a safer way to generate additional revenue. The Local Government Information Unit (LGIU) found that over half of local authorities in England are planning further services cuts while simultaneously increasing council taxes by the maximum possible amount amidst further solvency challenges.

Research by the LGIU has found that increases in council tax will not be sufficient to balancing budgets, with the inevitability of cost-cutting and attempts to generate income through increased commercialisation.

BritainThinks’ research has found that local benefit from high levels of trust and satisfaction from residents, providing a strong platform to develop revenue streams from commercial trading. But, local authorities often lack the skills and expertise to maximise the benefits, so partnership working allows councils to generate external income while minimising its exposure to the risks.

Norse Group has found that the partnership model, or joint venture approach, is more akin to insourcing than outsourcing and gives partners a high degree of control through share ownership, board representation and direct input to service delivery.

<https://www.lgcplus.com/finance/partnership-removing-the-risk-from-income-generation-22-05-2023/>

FOR INFORMATION

For the Governance and Scrutiny Committee Members and Executive Directors

EX LGA CHIEF EXECUTIVE STATES PEER REVIEWS SHOULD BE MANDATORY

A former Chief Executive of the LGA, Carolyn Downs has stated that all local authorities should be subject to mandatory peer reviews.

Speaking to Local Government Chronicle (LGC), she said that the challenging financial situation local government is in means even well led and well managed councils can struggle which marks a change from 10 years ago. She further remarked that “those councils that reached the point of requiring intervention are those that had failed to recognise

they needed help or to look ‘externally’ to see what they could learn from others”, firmly supporting the benefits of LGA-funded peer reviews from her experience as chief executive of Brent London Borough Council.

The LGAs peer challenge initiative offers participating councils the opportunity to host a team of experienced officers to spend time with them, provide challenge and share learning. The LGA provides a fully funded corporate peer review to all councils where it spends time with the authority identify and address issues and challenge progress across themes, including: local priorities and outcomes, organisational and place leadership, governance and culture, financial planning and management and capacity for improvement.

Ex-LGA chief: ‘Peer reviews should be mandatory’ | Local Government Chronicle (LGC) ([lgcplus.com](https://www.local.gov.uk))

FOR INFORMATION

For the Governance and Scrutiny Committee Members and Executive Directors

COUNCILS SOUND THE ALARMS ON CLIMATE THREATS

Risks to people’s health from heatwaves is the greatest priority climate concern for councils, according to a new Local Government Association survey on local climate preparedness.

Last year brought record breaking temperatures, wildfire incidents and significant infrastructure disruption, with extreme heat leading to thousands of excess deaths across the country, and the year before dealt with significant flash flooding.

The LGA said urgent action is needed to prepare our villages, towns, and cities for the impacts of climate change. It is calling for government to enable urgent acceleration of local adaptation action as part of its forthcoming National Adaptation Programme (NAP).

The NAP sets out the actions that government and others will take to adapt to the challenges of climate change in England over a five-year period. The Department for Environment, Food and Rural Affairs (Defra) are currently working on the third iteration of the NAP which is expected to be published this summer and will run from 2024 to 2029.

Councils are also calling for government guidance on critical thresholds for different weather patterns. This would include the threshold temperatures that different services can change or close, from play areas to libraries.

Over 300 councils have declared a climate emergency, and many are assessing risks and developing plans. They deliver wide ranging services including on roads, flooding, fire, natural environment, housing, public health, and social care.

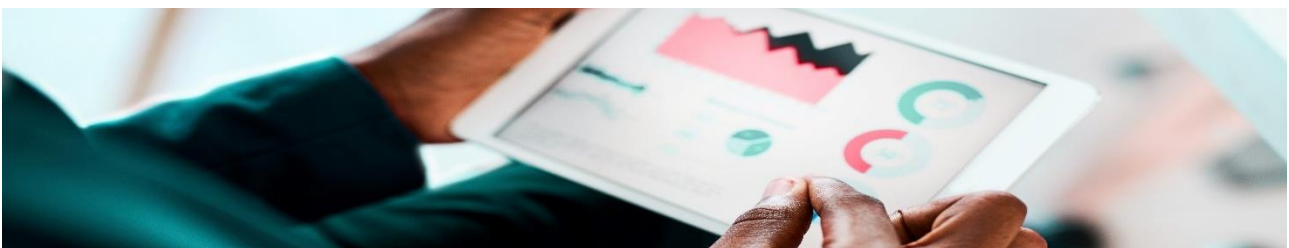
A survey, also conducted by the LGA, found that:

- Damage to critical infrastructure and buildings, including roads and homes ranks as the second greatest concern for councils. Widespread risks to people and the economy from climate related failure of the power-system was the third greatest risk
- 21% of responding councils said a “lack of data” was a barrier in addressing climate impacts to communities and service delivery. “Lack of funding and/or available finance” was also the top identified barrier (93%) faced by authorities.





<https://www.local.gov.uk/about/news/councils-sound-alarm-local-climate-threats>

FOR INFORMATION

For the Governance and Scrutiny Committee Members and Executive Directors







KEY PERFORMANCE INDICATORS




QUALITY ASSURANCE	KPI	RAG RATING
The auditor attends the necessary, meetings as agreed between the parties at the start of the contract	All meetings attended including Governance Scrutiny Group meetings, pre-meetings, individual audit meetings and contract reviews have been attended by either the Director or Audit Manager.	
Positive result from any external review	Following an External Quality Assessment by the Institute of Internal Auditors in May 2021, BDO were found to 'generally conform' (the highest rating) to the International Professional Practice Framework and Public Sector Internal Audit Standards.	
Quality of Work	Only one survey response for 22/23 was received, scoring 4/5 for the overall audit experience. We will continue to send surveys out to officers with final report.	
Completion of audit plan	We have completed the 22/23 and have commenced the planning for 23/24, with scoping calls for more than 75% of the reviews completed and review dates agreed.	

APPENDIX 1

OPINION SIGNIFICANCE DEFINITION

LEVEL OF ASSURANCE	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION	FINDINGS FROM REVIEW
 Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
 Moderate	In the main, there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
 Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
 No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE DEFINITION

RECOMMENDATION SIGNIFICANCE	
 High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
 Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
 Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.



FOR MORE INFORMATION:

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