

**Rushcliffe Borough Council**  
**Internal Audit Progress Report**  
**December 2025**

# Summary of 2025/26 work

## Internal Audit

This report is intended to inform the Governance and Scrutiny Committee of progress made against the 2025/26 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 Global Internal Audit Standards in the UK Public Sector. 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' opinion. 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.



## Internal audit plan 2025/26

We are making good progress in the delivery of the audit plan with 75% of audit reviews either finalised or in the fieldwork phase.

We are pleased to present the following reports to this Governance and Scrutiny Committee meeting:

- Main Financial Systems
- Business Continuity and Emergency Planning.

Fieldwork is in progress in respect of the following audits:

- Rushcliffe Oaks Crematorium - Operational Management
- Asset Investment and Management.

We anticipate presenting these reports at future Governance Scrutiny Group meetings.

## Review of 2025/26 work

AUDIT	GOVERNANCE SCRUTINY GROUP	PLANNING	FIELDWORK	REPORTING	DESIGN	EFFECTIVENESS
Fraud Report	June 2025	✓	✓	✓	Advisory Report	
Council Tax and NNDR	September 2025	✓	✓	✓	S	S
Streetwise Management	September 2025	✓	✓	✓	M	S
Main Financial Systems	December 2025	✓	✓	✓	M	S
Business Continuity and Emergency Planning	December 2025	✓	✓	✓	S	S
Asset Management and Investment	February 2026	✓	✓			
Rushcliffe Oaks Crematorium - Operational Management	February 2026	✓	✓	✓ Draft		
Procurement	June 2026	✓				
Health and Safety	June 2026	✓				

# Main Financial Systems

CRR REFERENCE: FCS03, FCS08, FCS09, FCS21

Design Opinion



Moderate

Effectiveness  
Opinion



Substantial

Recommendations



## SCOPE

### Areas reviewed

- ▶ Financial policies and procurement card regulations to ascertain whether these were fit for purpose and reflected the Council's arrangements for Accounts Payables and procurement card management.
- ▶ A sample of 15 purchases where a PO was raised between 1 April 2024 and 31 March 2025 was tested to assess whether:
  - A PO was requisitioned and approved in accordance with the delegated authorities prior to the invoice being received.
  - The invoice was matched to the PO prior payment
  - A goods received note (GRN) was recorded on E-Procurement and matched to the invoice prior to payments being made to suppliers.
  - The correct amount was paid to the supplier in a timely manner.
- ▶ A sample of 15 non-PO invoices raised between 1 April 2024 and 31 March 2025 was tested to confirm that the invoice was approved in line with the delegated authorities and that the correct amount was paid to the supplier.
- ▶ A sample of 15 procurement card transactions (ten physical card purchases and five virtual card purchases) was tested to confirm that:
  - The purchases was submitted for authorisation by the cardholder in a timely manner.
  - Supporting documentation (ie receipts, invoices, etc.) were submitted for authorisation by the budget holder.
  - Purchases were in line with the Council's policies and was incurred for an appropriate business reason.



## AREAS OF STRENGTH

We identified the following areas of good practice:

- ▶ The Council has developed procedural guidance with step-by-step instructions on expected practices including how purchases should be requisitioned and approved on the E-Procurement (for POs) and E-Financials (for non-PO invoices). These documents are well structured, easy to follow and included screenshots to assist staff.
- ▶ From our sample of 15 PO purchases tested, we confirmed that:
  - All POs were raised and approved appropriately with a segregation of duties on E-Procurement and were matched to the corresponding invoices before the payment was made to the supplier.
  - All GRNs were accurately recorded on E-Procurement, confirming that the goods or services had been received from the supplier to a satisfactory standard, prior to the payment run.
  - Suppliers were paid accurately and in a timely manner. There were five instances where the supplier was paid later than the credit term set on the invoice, but



this was because the GRN had not been documented, demonstrating that the Council was not paying for goods or services until it was confirmed they had been received.

- ▶ From our sample of 15 non-PO invoices tested, we confirmed that:
  - All purchases were made for a valid business reason with a sufficient rationale for a PO not being raised. For example, these were generally for utility bills, grant payments, Parish Council precepts.
  - All invoices were approved in accordance with the approval limits set in the delegated authorities.
  - Suppliers were paid accurately and in a timely manner. There were some late payments, but these were because there were queries over invoices or credit notes that had been raised for other invoices. Therefore, it was acceptable that these payments were not made until issues are clarified.
- ▶ The Council provides procurement card training for new cardholders, with signatures obtained for all attendees, covering information on the relevant spending, logging and the evidence requirement, VAT considerations and fraud awareness.
- ▶ From our sample of 15 procurement card transactions tested, we confirmed that:
  - The purchases were supported by documentary evidence or proof of purchase.
  - The transactions were approved appropriately within the approver's authorisation limits, with a segregation of duties in place and in line with the limits identified on the signatory form.








## AREAS OF CONCERN

Finding	Recommendation and Management Response
There were late submissions of procurement card logs for physical and virtual cards. Additionally, there has been a reduction in the frequency by which virtual cardholders must upload their logs, but this is not reflected in the Procurement Card Holder Regulation (Finding 1 - Medium).	<p>A. The Systems and Performance Officer should review and update the Procurement Card Holder Regulation to reflect the revised frequency of procurement card log submissions and reviews for virtual cards.</p> <p>B. The Finance Team should implement a clear and documented monitoring process to track late, missing or incomplete log submissions, recording the reasons for delay. Additionally, a formal escalation process should be established detailing the actions to be taken to address non-compliance (ie late submissions of logs) which may include disciplinary action or withdrawing cards from repeat offenders.</p> <p><b><u>Management Response</u></b></p> <p>We had accepted during the audit that we had already raised these concerns regarding accuracy and delays in relation to the logs being returned, and that we were reporting on these to the Senior Business partner to chase with the card holder's manager monthly. We had also spoken with the Head of service for Corporate Services regarding the two repeat offenders within that service area. All points accepted.</p> <p>A. Accepted.</p> <p>B. We have already taken action to start this recommendation. A spreadsheet is kept in the procurement card folder where both the Head of Financial Services and the Senior Finance Business Partner have</p>

		<p>overview. This also logs any spending we feel could be made elsewhere to enable senior managers to address with the department managers. It is also flagged to Finance managers to chase/follow up if logs are submitted late.</p>
		<p>Target date: (A) 31 January 2026 and (B) Started.</p>
<u>Low Findings</u>		
<p>▸ There was no written confirmation the authorisation of a temporary increase in an individual's approval limit. This increase was required to cover temporary staff gaps.</p>		

# Business Continuity and Emergency Planning

CRR REFERENCE: FCS27, FCS32, NS11

Design Opinion	 Substantial	Effectiveness Opinion	 Substantial
Recommendations	 0	 0	 2



## SCOPE

### Areas reviewed

- ▶ The Council's Business Continuity Plan (2022), Emergency Plan (2024), and the Business Continuity Strategy 2024-27, including the Action Plan and governance arrangements, to assess whether these documents clearly set out activation procedures, roles, responsibilities, and oversight mechanisms.
- ▶ BIAs from key services (ICT, Benefits, Revenues, HR, Emergency Planning) to ascertain whether critical functions had been identified, risks assessed, recovery time objectives defined, and contingency arrangements documented.
- ▶ The 2024-27 Action Plan and the Action Log 2025 to confirm whether actions were clearly defined, risk-based, assigned owners, and tracked by Executive Management Team (EMT), Resilience Review meetings, and reported to the Corporate Overview Group. A sample of actions were tested to confirm delivery against planned timescales.
- ▶ The Critical Service Master Document, ICT business continuity plan (BCP), and arrangements with Adam Continuity and Newark and Sherwood District Council to assess whether critical systems had been identified and recovery arrangements documented. We also considered continuity planning for the Customer Information Centre and telephony services.
- ▶ Evidence of recent exercises, including Exercise Conker (2024), flood responses (Storm Babet, Henk, Operation Cleves), Rapid Response Team training (2025), and participation in the recent Cyber Exercise by the Local Government Association (LGA) (October 2025), to assess whether staff are regularly tested and prepared to respond to disruptions and emergencies.
- ▶ Training delivered to the Rapid Response Team, managers (Leadership Forum 2024), elected members, parish councils, and community groups, to assess whether staff involved in continuity and emergency responses are adequately trained and aware of their roles.
- ▶ Debrief documentation for Storm Babet (2023), Storm Henk (2024), and Operation Cleves (2025), along with Resilience Review minutes between February and July 2025, to assess how lessons are captured, documented, shared, and embedded into corporate and departmental arrangements.



## AREAS OF STRENGTH

We identified the following areas of good practice:

- ▶ The Council has an established corporate Business Continuity Plan (2022), Emergency Plan (2024), and Business Continuity Strategy 2024-27, all of which are up to date, clearly structured, and aligned with statutory requirements.
- ▶ There is proactive and regular oversight of business continuity planning, with the Business Continuity Action Plan 2024-27 tracked using a live Action Log, discussed at Resilience Review meetings, and reported to the Corporate Overview Group.

- ▶ Resilience Review meetings provide a standing governance forum to monitor progress, review lessons learnt and ensure continuity risks remain visible to senior management.
- ▶ All services have completed business impact assessments (BIAs), with key services, including ICT, Benefits, Customer Services and Strategic Finance providing detailed risk assessments, recovery objectives, and contingency arrangements. This supports effective planning to consider the impact on core services in the event of business disruption or an emergency.
- ▶ BIAs are updated annually and signed off by service managers, demonstrating departmental ownership, with the Emergency Planning Officer providing challenge to ensure these are realistic and sustainable, and consider a wide range of implications.
- ▶ The Council has demonstrated a strong culture of conducting BCP exercises, using both scenario planning and real-world events. Notable examples include:
  - Exercise Conker (2024): a national power outage scenario tested at the Leadership Forum.
  - Rapid Response Team training (2025): practical refreshers covering the welfare centre set-up and dynamic risk assessment.
  - Recent LGA cyber exercise (October 2025): forward planning to test ICT and cyber resilience against external cyber threats.
- ▶ Real-life incidents (such as recent storms and Operation Cleves) have helped to inform application and learning of BCP and emergency planning responses, with post-even debriefs to consider the lessons learnt over the coordination of the response. Action logs are created to list the agreed actions from the debriefs which are reviewed at the Resilience Review meetings and reported to the Corporate Oversight Group. From recent emergencies, there was evidence to demonstrate that there was a progressive approach to embedding these into arrangements, ie improvements to personal protective equipment for storms.
- ▶ More widely, the Council share lessons learnt from its real-life situations with other authorities in Nottinghamshire. Following a power outage at a caravan park in Gamston an emergency was declared and lessons learnt from the incident was shared with the Emergency Planning Team, who coordinate BCP and emergency planning across the county.
- ▶ Training is well-targeted at those with bespoke training depending on the individual's role in responding. Training has been provided to the Rapid Response Team on operation responding to incidents, managers through leadership forums and exercises, elected members with briefings on their roles and parish councils with flood preparedness workshops. There are sufficient supporting logs and evidence to show who attended these sessions and when they were held.
- ▶ The Council collaborate with other external partners through programmes such as the Multi-Agency Gold Incident Command schemes to use national training resources and enhance the response to major incidents alongside partners in the Nottinghamshire LRF.
- ▶ The Council participated in cyber security exercise led by the LGA to test its preparedness for a major cyber incident and the effectiveness of response and recovery arrangements. This was attended by senior management, ICT, Emergency Planning Officers, and communications staff. This exercise provided the Council with a level of assurance over its command structures, communication channels. This exercise provided assurance over the resilience of the Customer Information Centre to maintain communication with external stakeholders and ICT recovery priorities in the event of a cyber-attack.



**AREAS OF  
CONCERN**Low Findings

- ▶ A structured multi-year programme for scenario testing of business continuity risks is not in place, although there are ad hoc testing sessions on a range of different vulnerabilities.
- ▶ Reporting to Executive Management Team is not supported by documentation summarising risks and action implementation and Resilience Review meetings are not documented.

## Sector update

Our quarterly Local Government briefing summarises recent publications and emerging issues relevant to local authority providers that may be of interest to your organisation. It is intended to provide a snapshot of current issues for Elected Members and Executive Directors.

### MAYORS TO LEAD THE CHARGE FOR THOUSANDS OF NEW SOCIAL HOMES

*Mayors outside of London will be given more influence over the delivery of the Social and Affordable Housing Programme in their areas.*

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On 6 November 2025, the Government announced that Mayors outside of London will be given greater influence over the government's historic £39bn Social and Affordable Houses Programme as part of its drive to increase the provision of social and affordable housing. This programme is expected to provide funds to build around 180,000 homes across England (outside of London and Greater London), with at least 60% of these being social rent homes.

The Housing Secretary has said "We're also backing councils to build again and transform derelict sites into thriving neighbourhoods, urging them to go big, go bold and go build. For the first time Mayors, working jointly with Homes England, will shape the course of action for new affordable housing money in their regions, setting out ambitious plans for the types of homes that get built, sites prioritised for construction and how many suitable bids for grant funding could come forward in each area".

This funding investment has been welcomed by the Chief Executives of Homes England and the National Housing Federation, allowing local leaders to shape the social and affordable housing provision in their communities.

This investment will target areas across the North of England and in the West Midlands.

Mayors to lead the charge for thousands of new social homes - GOV.UK

### FOR INFORMATION

For the Governance and Scrutiny Group and Executive Directors

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### EAST MIDLANDS MAYOR ANNOUNCES THE 10-YEAR GROWTH STRATEGY

*The Mayor of the East Midlands Combined Authority has unveiled the 10-year strategy for jobs and growth across Nottingham, Nottinghamshire, Derby and Derbyshire.*

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The Mayor of the East Midlands Combined Authority launch the East Midlands Growth Plan 2025-35 on 13 October 2025 to set out a long-term vision for growth across the region.

The Mayor of the East Midlands, Claire Ward, while unveiling the plan has said "For the first time, we have a growth plan that is backed by the region and puts us in pole position to succeed. This plan is about unlocking growth while tackling inequality, creating better jobs, fairer pay, and new opportunities in every community. By working with business, government, and local partners, we can build a stronger, more inclusive economy that delivers for everyone".

The strategy establishes a range of targets to be achieved across the region, as well as proposing various projects to increase jobs and promote investment into the Midlands, including major development opportunities across the Trent Arc (which will include the Ratcliffe-on-Soar power station) and the investment in the Supercluster project to create clean energy.

The key objectives and success measures of the East Midlands Growth Plan 2025-35 are:

- ▶ Adding £13bn into the regional economy
  - ▶ Supporting 60,000 people into work over the decade
  - ▶ Build more than 100,000 new affordable quality homes
  - ▶ Enabling 210,000 more people with skilled qualifications
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- ▶ £2bn of investment into transforming transport infrastructure, including cycling routes, buses and rail
- ▶ Supporting key industries such as clean energy, advanced manufacturing, digital and the visitor economy.

Mayor unveils 10-year strategy for jobs and growth - East Midlands Combined County Authority

#### FOR INFORMATION

For the Governance and Scrutiny Group and Executive Directors

#### PROFESSIONAL BODY FOR MONITORING OFFICERS TO BE LAUNCHED THIS MONTH

*A new professional body for monitoring officers will be launched in November 2025 to add to the existing bodies for chief executives and chief finance officers.*

The role of a monitoring officer is a statutory role for all local authorities. However, it present, unlike other statutory roles (chief executive and chief finance officer) it does not have a professional body to represent those in this role.

The Lawyers in Local Government (LLG) will create a professional body focusing solely on monitoring officers in the sector to provide guidance to those in the role and to create a support network for monitoring officers, for professional development and resources.

This professional body is expected to give monitoring officers a stronger voice and increase resilience of the function, particularly to navigate the challenges posed by local government reform.

Professional body for monitoring officers to be launched this month - The MJ

#### FOR INFORMATION

For the Governance and Scrutiny Group and Executive Directors

#### NOTTINGHAMSHIRE COUNTY COUNCIL BACKS MERGER OF TWO BOROUGH AND CITY COUNCIL

*Plans to create a new local authority made up of the areas currently covered by Nottingham City Council and neighbouring Gedling and Broxtowe have been backed by county councillors.*

The English Devolution White Paper was published on 16 December 2024 and announced a reform of local government, changing the existing two-tier structure of local authorities by creating fewer but larger councils.

Councils in Nottinghamshire have a deadline of 28 November 2025 to submit its proposals to the Government for how the new authorities will be set up in the county. Ministers are expected to reach a decision on the future council structure in Nottinghamshire in March 2026, with the implementation of the new structure in 2028.







Councillors in Nottinghamshire County Council voted in favour of option 1b to be presented to the Government. This option would result in a merger between Nottingham City Council, Gedling Borough Council and Broxtowe Borough Council, with the other councils in the county (including Rushcliffe Borough Council) merging to create a separate unitary authority.

Councillors back merger of two boroughs and city - BBC News

#### FOR INFORMATION





For the Governance and Scrutiny Group 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 Engagement Partner or the Engagement Manager.	
Positive result from any external review	Following an External Quality Assessment by the Institute of Internal Auditors in May 2021, BDO was found to 'generally conform' (the highest rating) to the International Professional Practice Framework and Public Sector Internal Audit Standards	
Quality of work	We received two responses to our audit satisfaction surveys for 2024/25 reviews, with an average score of 4.3/5 for the overall audit experience and for the value added from our work. The number of responses is lower than we would expect, and we will work with the management team to increase the number of responses to our surveys during 2025/26.	  
Completion of audit plan	We have progressed the 2025/26 Internal Audit Plan, with two audits presented to this Audit Committee meeting and other audits in the fieldwork or planning phase.	

# Appendix 1

## OPINION SIGNIFICANCE DEFINITION

LEVEL OF ASSURANCE	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION	FINDINGS FROM REVIEW
<b>Substantial</b> 	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.
<b>Moderate</b> 	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.
<b>Limited</b> 	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.
<b>No</b> 	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	
<b>High</b> 	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.
<b>Medium</b> 	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.
<b>Low</b> 	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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