

AGENDA ITEM: 7

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Meeting	Audit Committee
Date	24 March 2011
Subject	Internal Audit Progress Report – Quarter 3
Report of	Assistant Director of Finance - Audit and Risk Management
Summary	Members are asked to note the Progress Report and Appendices.

Officer Contributors	Maryellen Salter, Assistant Director of Finance - Audit and Risk Management
Status (public or exempt)	Public
Wards affected	None
Enclosures	Appendix A - Internal Audit Progress Report
For decision by	Audit Committee
Function of	Council
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: Maryellen Salter, Assistant Director of Finance - Audit and Risk Management 020 8359 3167

1. RECOMMENDATIONS

- 1.1 That the Committee note the contents of the Report and the actions being taken to address the deficiencies.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 At the Audit Committee meeting on 11 March 2010 Members accepted that there would be progress reports to all future meetings of the Committee and, that for all “limited” or “no assurance” audits, there should be a brief explanation of the issues identified. It was also resolved at the meeting of the 21st September 2010 that where an audit had limited assurance that greater detail be provided than previously.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 All internal audit planned activity is aligned with the Council's objectives, particularly the “Better Services with Less Money” priority, and, thus, supports the delivery of those objectives by giving an auditor judgement on the effectiveness of the management of the risks associated with delivery of the service.

4. RISK MANAGEMENT ISSUES

- 4.1 All Internal Audit activity is directed toward giving assurance about risk management within the areas examined. By so doing the aim is to help maximise the achievement of the Council's objectives. Internal Audit does this by identifying areas for improvement and agreeing actions to address the weaknesses.
- 4.2 Internal Audit work contributes to increasing awareness and understanding of risk and controls amongst managers and thus, leads to improving management processes for securing more effective risk management.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Effective systems of audit, internal control and corporate governance provide assurance on the effective allocation of resources and quality of service provision for the benefit of the entire community. Individual audits assess as appropriate the differential aspects on different groups of individuals.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 As the Internal Audit plan is risk based this provides more appropriate assurance on those high priority areas within the Council. When risk, and assurances that those risks are being well managed, is analysed alongside finance and performance information it can provide management with the ability to measure value for money.

7. LEGAL ISSUES

7.1 No legal issues in the context of this report.

8. CONSTITUTIONAL POWERS

8.1 The Constitution Part 2 Paragraph 3.3 recognises that the annual audit opinion plays an essential part in advising the Council that risk management procedures and processes are in place and operating effectively.

9 BACKGROUND INFORMATION

9.1 This report provides details of the audits carried out during November to January 2011 and also gives the assurance level for each audit. These will ultimately lead to the overall assurance opinion for the year included within the Annual Governance Statement.

10. LIST OF BACKGROUND PAPERS

10.1 Any person wishing to view any of the background papers should telephone 020 8359 3167.

Legal: MAM

Finance: MC/JH

London Borough of Barnet
Internal Audit & Risk Management
Progress Report 2010-11– Quarter 3

Maryellen Salter, Assistant Director of Finance - Audit and Risk Management

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Appendices:

- A: 2010/11 Work during quarter including assurance levels
- B: Work in progress
- C: Internal Audit Effectiveness Indicators
- D: Corporate Risk Register as at 31st January 2011

1. Introduction

The Internal Audit Plan was agreed by the Audit Committee on the 11th March 2010. This report follows the principles previously accepted by the Committee, in that all audit reports with limited or no assurance will be summarised into key messages with some detail. Information is also presented regarding the corporate risks.

2. Final Reports Issued

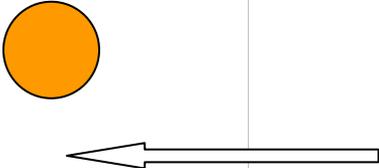
This report covers the period from 1st November to 31st January 2011. The Internal Audit service has over this period issued 20 reports in accordance with the 2010-11 Internal Audit Plan. The full list of completed audits during this period is included within Appendix A. Of the 20, 8 were graded at below satisfactory assurance and the details of which are included within section 3 of this report.

The Audit Committee in February received an update of all 2009-10 and quarters 1 and 2 of 2010-11 audit reports with no or limited assurance audit opinions. This included the status of the priority 1 (high) recommendations rated as either red, amber or green. These will be continued to be reported until the action has been taken to address the deficiency noted however will be presented in a separate report to the Committee.

3. Key Findings from Internal Audit Work

Title	Independent Provider Performance – Special Education Needs (SEN) – Children’s Services			
Assurances	<div style="display: flex; justify-content: space-around; padding: 5px;"> No Limited Satisfactory Substantial </div>			
Audit Opinion & Direction of Travel				
No previous audit in this specific area				
Date final report issued	13 th December 2010			
Background	<p>The review focused on independent provider performance in the Special Education Needs (SEN) area. The audit reviewed compliance with contract procedures, contract monitoring (including safety arrangements and delivery issues), payment procedures and how the Council achieves value for money from independent providers.</p> <p>In the SEN area, Internal Audit reviewed arrangements for the following agreements/contracts:</p> <ul style="list-style-type: none"> a) Binoh (approximate annual value: £86,338) b) Auditory Verbal UK (approximate annual value: £31,405) c) Various independent providers (speech and language therapists) such as Judith Leigh (£3,655), Hannah Klein (£9,565). 			

<p>Summary of Findings</p>	<p>There was some good practice noted:</p> <ul style="list-style-type: none"> • Officers in the SEN area exercised aspects of contract monitoring as part of their role to ensure that children achieved desired outcomes; • Arrangements existed for assessing the effectiveness of contract delivery and the standard expected contract monitoring practice was noted in one case reviewed; and • There was an awareness of and the availability of price information for external contractors amongst officers (they would be aware if prices quoted by external contractors were excessive when agreeing services). <p>However there was scope for improving the effectiveness of contract monitoring arrangements of all external contractors in line with assessed risks:</p> <ul style="list-style-type: none"> • There were no formal contracts for some contractors meaning that monitoring against identifiable and specified contractual obligations through the use of Key Performance Indicators (KPI's) was not possible; and • The contractor data to assess efficiency of contractor delivery to ensure the selection of the best available external contractors was not always available or used.
<p>Priority 1 recommendations</p>	<p>There was one priority one recommendation as a result of this audit:</p> <p>Contract Procedure Rule (CPR) compliance - all contracts/agreements should comply with the Council's Contract Procedure Rules.</p>
<p>Management Responses and agreed action dates</p>	<p>Management has agreed the following action in relation to above recommendations:</p> <p>For school placement contracts, processes have been introduced to engage with the Children's Service Contract Officer to ensure that they comply with CPR. This will be extended to other contractors.</p> <p>Note: Implementation of this work is dependant on confirmation of the new structure.</p>

Title	Safer Recruitment – Human Resources (Deputy Chief Executive)			
Assurances	No	Limited	Satisfactory	Substantial
Audit Opinion & Direction of Travel 2008/09 Follow-up audit				
Date final report issued	17 th November 2010			
Background	<p>The Council has an enhanced duty of care towards children and vulnerable adults to ensure that they are safeguarded against abuse. The Council is required to take steps to ensure that all staff who have contact with children and vulnerable adults are subject to the appropriate clearance procedures in line with legislative requirements (including The Safeguarding Vulnerable Groups Act 2006).</p> <p>Our audit focussed on the following:</p> <ul style="list-style-type: none"> • Policies, Procedures and Legislation – to confirm whether formal policies and procedures are in place and adhered to ensure compliance with legislative requirements over safer recruitment; • Application and Interview Process – to confirm whether positions which involve contact with children and vulnerable adults are correctly identified and whether individuals applying for those positions are screened adequately using robust tools and methodologies; • Criminal Record Bureau and ISA Checks – to confirm whether all pre-employment checks are undertaken in a timely, adequate and accurate manner, are evidenced as such and remedial actions are taken where appropriate; • References – to confirm whether references are obtained in a timely and complete manner, are evidenced as such and remedial actions are taken where appropriate; • Volunteers, Agency and Contractor Staff – to confirm whether robust safer recruitment processes and protocols are in place and applied to other individuals (e.g. volunteers, agency, fixed term consultants/staff, contractor, partners etc) working with children and vulnerable adults; • Monitoring new Staff – to confirm whether there are robust probation/induction processes and whether staff have clear processes to follow to report any individual they believe may pose a risk or when allegations are made. 			

<p>Summary of Findings</p>	<p>We noted the following areas of good practice during the audit</p> <ul style="list-style-type: none"> • Job evaluations are carried out to identify the level of security checks required for the post; • The level of CRB checks were found to be suitable/sufficient for the respective posts; and • HR produces a list of staff whose CRB checks are due for renewal/expiry. <p>Area(s) for development identified during this review include:</p> <ul style="list-style-type: none"> • There were gaps in the scope and content of existing policies and procedures at the time of the audit; and no robust monitoring process to assess compliance to these procedures; • There is a lack of clarity in terms of application/interview questions that recruitment officers should adopt; and • There is a lack of audit trail to substantiate pre-employment checks.
<p>Priority 1 recommendations</p>	<p>There were 2 priority 1 recommendations:</p> <p>1) The policies/procedures should be updated to include:</p> <ul style="list-style-type: none"> • The steps to be followed (for example report to line management/HR/other parties, request CRB/ISA checks, report to regulatory bodies etc) where actual or suspected harm or risk of harm is highlighted once an individual has started employment. This duty to refer should be widely communicated and consideration should be given to include other parties such as partners, contractors, volunteers etc; and • Clear overview with indicative timeframes of the key steps to be followed by hiring managers during the entire recruitment, selection and pre-employment process to ensure that steps are not missed or completed in an untimely manner. <p>2) Further guidance and monitoring should be implemented to ensure that:</p> <ul style="list-style-type: none"> • HR officers document the type of disclosure check undertaken (i.e. Enhanced or Standard), whether this is in line with the job evaluation requirement as indicated on SAP, the date of issue of the CRB return and the complete 12-digit numbers of the disclosure numbers; • All Job Descriptions explicitly highlight the level of check that is required for that role; • Completion of timely CRB/ISA checks is monitored by HR and hiring management are made aware of the timescales requirements; • Where 3 yearly CRB recheck reminders are not auctioned by hiring managers, these are escalated to the relevant Directors; and • Timely rechecks are performed. This could be achieved via an automated facility on SAP or through monitoring of HR records.

Management Responses and agreed action dates

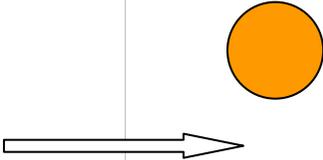
The following responses were received in respect of the recommendations raised:

- 1) We will continue to communicate the Code of Conduct policy to staff.

The Recruitment & Compliance Team will continue to discuss recruitment requirements, timescales etc., with line managers when recruitment activity commences including indicative timelines. These timescales can vary dependant on the position, any medical referrals etc. The Recruitment & Compliance Team will also ensure all key recruitment and pre-employment steps are completed using check lists.

- 2) Subsequent to this audit commencing, Human Resources (HR) have significantly changed its CRB processes and procedures, and a dedicated CRB team are now in place.

- CRB details including date of issue and disclosure number are recorded on 'HR Connect'. The majority of CRB checks are now 'enhanced'
- All new job descriptions will explicitly highlight the level of check that is required for that role
- CRB rechecks are monitored on a monthly basis using a SAP Report to identify rechecks due up to 5 months in advance of expiry
- 3 yearly CRB recheck reminders are part of the new processes
- Timely rechecks are part of the new processes

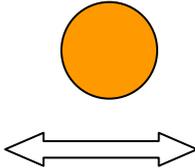
Title	Cash book control and reconciliation - Finance (Deputy Chief Executive)			
Assurances	No	Limited	Satisfactory	Substantial
Audit Opinion & Direction of Travel				
Cashbook reconciliation 2007/08				
Date final report issued	21 st December 2010			
Background	<p>The objective of the Cashbook Reconciliation process is to ensure that the balances as per the bank records match the balances as per the SAP (accounting package) General Ledger and other organisation records such that any discrepancies/ timing differences may be correctly identified and rectified.</p> <p>The Cashbook section is required to ensure a timely and accurate preparation of reconciliations for all main accounts. There are five main accounts; General (income), expenditure payments, expenditure Housing Benefits, expenditure Salary and Wages and Returned Cheques. The Cashbook section are also responsible for ensuring that unidentified items are investigated promptly and action is taken to clear suspense accounts of unallocated payment and income items.</p> <p>The scope of the audit was to assess arrangements to ensure the timely and accurate preparation of reconciliations for all main accounts and was focussed on:</p> <ul style="list-style-type: none"> • Reconciliation procedures and guidelines; • Cash book, bank and ledger reconciliations; • Cash book reconciliation records and supporting documentation; • Roles and Responsibilities • Access Rights & Back Up Arrangements; and • End of year procedures. 			

<p>Summary of Findings</p>	<p>We noted the following areas of good practice during the audit:</p> <ul style="list-style-type: none"> • Procedure notes for <i>some</i> of the key Cashbook processes exist and are available to staff within the Cashbook section; • Systematic reconciliations are performed for all the Council's main bank accounts; • Reconciliations performed for the General account and expenditure accounts are subject to independent review from a Senior Officer; • Reconciliation Summary Reports are created to provide an adequate audit trail for variances that are highlighted by the reconciliation of the bank accounts; • Roles and responsibilities within the Cashbook team have been clearly defined and there is minimal duplication in work; • There is adequate segregation of duties between officers responsible for the reconciliation of items on SAP to the bank accounts, and those responsible for reconciliation of amounts from AXIS to SAP. <p>However the following issues were identified during this audit:</p> <ul style="list-style-type: none"> • A number of procedural notes have not been fully compiled with and there is no protocol for reporting anomalies and variances in a number of the relevant procedure notes; • Independent review of cashbook reconciliations performed is not always conducted in a timely manner; • Variances have not been adequately escalated, investigated and resolved; • Cashbook reconciliations are not always performed in a timely manner; • Reconciliations performed for the Returned Cheque suspense account are not subject to independent review from a Senior Officer; • Bank statements/ files are not stored securely; and • Suspense accounts are not always promptly cleared of unallocated payments.
<p>Priority 1 recommendations</p>	<p>There was one priority 1 (high) recommendation from this audit:</p> <ul style="list-style-type: none"> • Cashbook reconciliations performed in a timely manner – Cashbook reconciliations should be performed in a timely manner, before the next period end date.

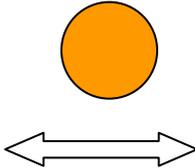
Management Responses and agreed action dates

The following response was received as a result of this audit:

- From September 2010 a timetable has been put in place detailing the deadlines for completing the reconciliations. Cashbook Officers will be required to complete reconciliations no later than 2 weeks after the period end date. The reconciliations will be monitored to ensure that they are being completed to the deadlines set (with immediate effect).

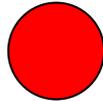
Title	Equalities – Chief Executive’s Service			
Assurances	No	Limited	Satisfactory	Substantial
Audit Opinion & Direction of Travel Follow-up 2005 - limited				
Date final report issued	12 th January 2011			
Background	<p>There have been recent changes in legislation that are relevant to the Council (the Equality Act 2010), which is intended to provide a new cross-cutting legislative framework to protect the rights of individuals and advance equality of opportunity for all; foster good relationships between different groups; to update, simplify and strengthen the previous legislation; and to deliver a simple, modern and accessible framework of anti- discrimination law which protects individuals from unfair treatment and promotes a fair and more equal society.</p> <p>This audit benchmarked processes in a sample of three directorates against the Council’s Equality Scheme and the ‘excellent’ characteristics as defined by the equality framework for local government. The scope of the audit included:</p> <ul style="list-style-type: none"> • Corporate policy; • Governance arrangements; • Raising awareness; • Performance reporting; • Characteristics and Challenges; and • Follow-up on the Sheltered Housing Judicial Review 			

<p>Summary of Findings</p>	<p>We noted the following areas of good practice during the audit:</p> <ul style="list-style-type: none"> • A corporate forum to steer the equalities agenda is in operation; • Senior officer(s) provide leadership in the corporate forum for equality; • Directorate equalities groups are in place to coordinate/develop the equalities agenda locally; and • There is some scrutiny of performance by key stakeholders and collaboration with stakeholders i.e. the equalities 'First Stat' workshop in October 2009. <p>However the following issues were identified during this audit:</p> <ul style="list-style-type: none"> • An Equality progress review has not been performed since 2008/09; • The Council does not benchmark performance in respect of equality against comparable organisations; • A council-wide competency framework does not exist which explicitly sets out the skills and expectations for both Members and officers for a range of organisational priorities including equalities; • Review the Corporate Equality and Diversity Group (CEDG) Terms of Reference (ToR) has not been done since July 2008; • The Cabinet (or appropriate committee) has not been given the opportunity to discuss or scrutinise progress in respect of the Council's equalities agenda within the last year; and • Sample testing of the delegated powers report (DPRs) shows that the process of obtaining equality and diversity clearance for the DPRs did not always feel challenging.
<p>Priority 1 recommendations</p>	<p>There were two priority 1 (high) recommendation from this audit:</p> <ol style="list-style-type: none"> 1) The Council should review the Equality Scheme on an regular basis in light of changing needs and priorities 2) A process should be in place where the Council can demonstrate that there is challenge and scrutiny of equality and diversity statements within the DPR and committee report clearance process
<p>Management Responses and agreed action dates</p>	<p>The following responses were received for this audit:</p> <ol style="list-style-type: none"> 1) Revised scheme to be published for 1 April 2011. 2) Rapid Improvement Programme to commence in December 2010 to review and regularise DPR process.

Title	Local Government Pension Administration – Human Resources (Deputy Chief Executive)			
Assurances	No	Limited	Satisfactory	Substantial
Audit Opinion & Direction of Travel				
2008-09 LG Pension Administration				
Date final report issued	17 th November 2010			
Background	<p>The Local Government Pension Scheme (LGPS) is a statutory, funded pension scheme. The Council is required, under the Local Government Pension Scheme (Administration) Regulations 2008, to ensure that member contributions together with employer contributions are administered accurately and properly to allow accurate and timely payments of benefits to all members.</p> <p>The scope of this audit included testing controls and arrangements for:</p> <ul style="list-style-type: none"> • Policies, Procedures and Legislation • Joiners to and Leavers from Pension Scheme • Adjustments and Amendments • Employee and Employer Contributions • Pension Payments • Reconciliation • Performance Management/Management Information Framework 			

<p>Summary of Findings</p>	<p>We noted the following areas of good practice during the audit:</p> <ul style="list-style-type: none"> • Pension administration procedural notes and electronic training folders have been developed and are updated regularly; • Cessation of membership is substantiated with a leaver's form and payments made to leavers are accurate, checked and signed-off before payment is made; • Amendments and adjustments are authorised, substantiated with supporting documentation and are updated promptly; • Transfers into the scheme are substantiated with a written request from the member and there are effective arrangements in place to ensure that the transfer value is accurate; • The Pension Section run access journals on the AXIS system to identify deleted records on a daily basis; • Pension payments are calculated by the Pension Officer, checked by the Senior Pension Officer and authorised by the Pension Manager. There are sufficient segregation of duties in the process; and • The Systems Controller reconciles the number of scheme members on the AXIS system to the payroll system. <p>However the following issues were identified during this audit:</p> <ul style="list-style-type: none"> • New starters to the pension scheme are not always set up on the system appropriately, and Payroll are not always identifying members who are ineligible to go into the scheme. In addition, roles and responsibilities of Payroll officers have not been clearly defined in relation to the setting up of new starters; • Transfers into the scheme are not always recorded accurately on AXIS; • Contribution rates are not always applied in accordance to statutory requirements. In addition, contribution rates to the pension fund are not checked by the Pay and Data Services Manager on a periodic basis; • Pension refunds are not always substantiated by Debit notes scanned onto AXIS; • Payments are not suspended if life certificates are returned after the stated deadline by the Pensions Administration team; and • A robust performance management/management information framework is not currently in place which allows all parties/officers/committees to assess the performance of the Council as the administering authority of the Pension Scheme and take remedial actions where issues are identified.
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<p>Priority 1 recommendations</p>	<p>There were two priority 1 (high) recommendation from this audit:</p> <p>(1) Management should ensure that reviews of employer/ employee contribution rates for members of the scheme on LBB payroll are carried out periodically and fully evidenced. In addition, documentary evidence of the annual contribution checks carried out should be retained to indicate who performed the check and when. The annual contribution check should be independently reviewed, so that any anomalies are identified and rectified promptly.</p> <p>There should be periodic meetings between Pensions and Payroll to ensure that any anomalies in contribution rates identified by the Pension team (through their checks undertaken), are rectified by the Pay and Data Services Manager on a timely basis.</p> <p>(2) A robust framework for reviewing, monitoring and reporting of performance should be implemented.</p> <p>Regular reports should be presented to the Pensions/ Investment Committee, so that the performance of the Council as the administering authority of the pension scheme can be assessed and remedial action taken were necessary.</p> <p>Where there is an inadequate performance management framework, there is an increased risk that poor performance/ service delivery is not identified and rectified.</p>
<p>Management Responses and agreed action dates</p>	<p>The following responses were received for this audit:</p> <p>(1) 6 monthly reviews will be conducted by the Pay and Data Services Manager and his team to review employer/ employee contribution rates. The reviews will be fully evidenced on a spreadsheet, and will include the date the check was performed and name of reviewer.</p> <p>The Pay and Data services manager will monitor to ensure that any anomalies in contribution rates identified by the Pensions Administration team are rectified in a timely manner.</p> <p>The Pay and Data Services Manager will be meeting with the Pension Services Manager to agree the process for amending pension contribution rates for staff with salary adjustments.</p> <p>(2) The Pension Services Manager will be considering the option of implementing the Task Management function on AXIS; this will allow regular performance reports to be produced from the system. The Pension Services Manager has attended Task Management meetings, and will be visiting another local authority to consider how the module has been implemented and can be used to report.</p> <p>A robust performance management framework will be developed, were the Pension Services Manager will set Key Performance Indicators', based on the CIPFA benchmarking guidance. The Key Performance Indicators' will be monitored and reported regularly to the Head of HR Service Delivery, to allow timely remedial actions to be taken where poor performance is identified.</p>

Title	Environmental Health – Compliance – Planning, Housing and Regeneration (PHR)			
Assurances	No	Limited	Satisfactory	Substantial
Audit Opinion & Direction of Travel				
No review in the last five years				
Date final report issued	17 th December 2010			
Background	<p>It is the responsibility of the Commercial Environmental Health service to administer and carry out enforcements in the following key areas:</p> <ul style="list-style-type: none"> • Health and Safety • Food Safety & Standards • Infectious disease control • Animal health & welfare • Pollution Control <p>The Council works in partnership with the Health and Safety Executive (HSE) to meet their duty to make adequate arrangements. In Pollution control, oversight is provided by the Department for Environment Food and Rural Affairs (DEFRA).</p> <p>Internal Audit reviewed the following areas:</p> <ul style="list-style-type: none"> • Effectiveness of arrangements for full compliance with the requirements of the Section 18 standard by March 2011; and • effectiveness of the arrangements for ensuring compliance with the Regulation 18 of the Provisions of Services Regulations 2009 			

<p>Summary of Findings</p>	<p>There were a number of findings that required urgent attention:</p> <ul style="list-style-type: none"> • Management have not carried out a full self assessment as required under the Section 18 Standard of the Health and Safety at Work Act 1974, although a token assessment carried out by Management was available from which it was identified that Management do not consider full compliance will be achieved by the deadline date of March 2011; • The web based licence application and payment process is not yet fully functional for the Special Treatment Licences, hence the service is not fully compliant with the Provisions of Services Regulations 2009 – applicable from 28/12/2009; and • As required by Regulation 18 of the Provisions of Services Regulations 2009, the service has made a simple assessment of the level of fee charged for licences (Special Treatment) to confirm that the fee are proportionate to the effective cost of the process, i.e. do not cover no more than the actual cost of the authorisation process; however the analysis is not comprehensive, and would need refinement, for setting the level of fees realistically. <p>Internal Audit acknowledges the following areas of good practice and commitment to the objectives of the service:</p> <ul style="list-style-type: none"> • Managers have an good overview of the service; • Staff members understand their roles and responsibilities.
<p>Priority 1 recommendations</p>	<ol style="list-style-type: none"> 1) Management carry out a fuller self assessment and identify an effective strategy to ensure compliance with the section 18 standard of Health and Safety at Work Act (HSWA). 2) Management to prioritise the availability of the link to the relevant application for web based licence application and payment on the Council's forms. 3) A comprehensive analysis of activities and costs needs to be undertaken for assessing and setting the correct level of fees to ensure the fee reflects the cost of the licensing process.

Management Responses and agreed action dates

(1) We accept the conclusion. It is recognised in the current financial climate that additional resources will not be readily available. There is therefore a need for re-prioritisation and we are examining the opportunity to use qualified staff within the Food Safety Team to carry out Health & Safety work. However this will have a knock on effect on statutory food safety work and so will be subject to a risk assessment for both areas of work.

We are implementing Systems Thinking approaches in Commercial Environmental Health and this will assist us in identifying efficiencies and redirecting resource as necessary.

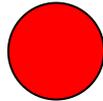
Training issues and performance may be missing from the S18 plan but are not missing from our activity as they are identified in the appraisal process. We will incorporate these into the plan.

We are participating in a peer review group with 2 neighbouring authorities to self assess compliance with the S18 standard. We will address any elements of the S18 standard that have not been included in the current assessment

(2) The service met its obligations when asked to in December 2009. Since then we have been dependent on other services to ensure the system became operational. This has been a corporate coordination and prioritisation issue, which has now been addressed. However, there is a need to strengthen cross-service inter-departmental working.

It is understood the payment engine has become operational and we are about to implement further guidance received. We will maintain momentum by working with Information Services.

(3) We agree with the conclusion. A comprehensive analysis of each licence fee is currently being undertaken to ensure the fee reflects the cost of the licensing process. This will be complete in time for the new Fees and Charges Report going to Cabinet Resources Committee on 13th January 2011.

Title	Goldbeaters Primary School – Children’s Services			
Assurances	No	Limited	Satisfactory	Substantial
Audit Opinion & Direction of Travel No review in the last five years				
Date final report issued	27 th January 2011			
Background	<p>The aim of the audit is to provide assurance on key areas of financial management.</p> <p>The audit is conducted in line with the “Keeping your Balance” document developed jointly by the Office for Standards in Education (OFSTED) and the Audit Commission (AC) and to ensure compliance with Barnet’s Scheme for Financing Schools and related Financial Guide for Schools.</p> <p>The scope of the audit included assessment of the following:-</p> <ul style="list-style-type: none"> ▪ adequacy of accounting, financial and other controls; ▪ compliance to established plans and procedures; ▪ the integrity and reliability of financial and other information; ▪ assets and other interests of the Council are properly safeguarded; and that ▪ the use of resources achieves value for money. 			

<p>Summary of Findings</p>	<p>A number of fundamental weaknesses were identified. Some of the issues were:</p> <ul style="list-style-type: none"> • Overall there was inconsistencies between procedures and working practices, for example delegated limits of authorisation were inconsistent; procedures on the School’s tendering & contracting requirements were not included within the Financial Management and Procedures Policy document; • There was a lack of medium term planning completed as a medium-term (3-year) Development Plan and a 3-year Budget Plan had not been prepared. In addition, there was no evidence of a formal and regular (at least monthly) budget monitoring process in the school; • There were some discrepancies in payments and receipting practices. Expenditure is not recorded when committed e.g. when purchase orders are raised, payments and receipts are not recorded promptly on the accounting system; payments and receipts are not posted to the correct financial year. There were a number of instances identified where shortfalls occurred between income and expenditure on educational visits, uniform sales and meals income. There were some errors noted in the audit sample in relation to goods being incorrectly receipted against orders, lack of purchase orders, expenditure codes not being recorded correctly. • There was no evidence of contract monitoring records; • There were no audit trails to verify completeness of income collected as no source documentation is maintained; in addition, income collected is not banked on a regular basis; • Bank reconciliations are not carried out properly and a general lack of independent review and investigating of items that are old or not clearing on a timely basis; • There was no evidence that monthly payroll reports are checked against control records by an independent officer; and • The School confirmed that an inventory record has not been maintained for several years.
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**Priority 1
recommendations**

There were six 'High' priority recommendations that are summarised as follows:

(1) Budget Monitoring:

The school should ensure that:

- There is regular monitoring of income and expenditure against the agreed budget and follow-up to action any significant variances.
- All commitments, payments and receipt of income are posted to the accounting system promptly to provide an accurate in year budget position.

(2) Purchasing:

The school should ensure that:

- There are robust processes that track purchases through from requisition, delivery of goods and services, timely payment of invoices and to the prompt posting onto the accounting system in order that the monitoring reports provided to the Head Teacher and Governors reflect accurately the position of the budget, aiding in ensuring that expenditure does not exceed the available budget and therefore cause the bank balance to become overdrawn.
- A written monitoring log is maintained of any defaults on the part of the contractor, in order to aid in the review of future engagement or dispute.

(3) Income:

The school should ensure that controls over income are sound. These should include:

- Income is banked promptly to the relevant bank account intact, reconciled to accounting records and independent checks to evidence that amounts banked agree to bank records.
- Maintaining accurate and comprehensive accounting records for all meals income.
- The School undertaking a thorough investigation of the meals income system to confirm or rule out the potential of fraud. If fraud is suspected then management should take action as reported under item 2.11 of the LBB 'Scheme for financial Schools' document;

The bank paying-in-books accurately recording the source of income being banked in order that the officer

(4) Payroll:

The School should ensure that monthly reports on payroll transactions are independently checked to confirm that any pay variations for staff is supported with relevant timesheets/claims forms etc. These checks should be visibly evidenced.

(6) Assets:

The School should ensure that all valuable and moveable items are kept securely and recorded in an inventory. Annual stock checks should be carried out and procedures in place for disposals/write-offs and for equipment taken off site or loaned, in accordance with section 7.3 of the LBB Financial Guide for Schools document and page 20 of the 'Keeping Your Balance document, issued jointly by Ofsted and the Audit Commission.

Management Responses and agreed action dates

Management has agreed the following responses in relation to above recommendations:

- (1) The School will ensure the budget monitoring process is formalised with regular, at least monthly meetings held. The officer responsible for inputting payments and receipts into the accounting system will process payments and receipts promptly and to the correct accounting year. Areas where expenditure has exceeded income will be investigated.
- (2) The School will ensure that procedures within the Purchasing system are reviewed to ensure that a more robust process is in place to address all concerns raised.
- (3) Controls and procedures for all income received will be reviewed to ensure that all area referred to above are addressed. Since the audit visit, the School has purchased software for a new meals income accounting package and this is now being used. A more comprehensive recording system has also been introduced for all other income received.
- (4) The School will investigate all the above mentioned irregularities and ensure that all future bank reconciliations are accurate and correctly dated. The authorising officer will confirm that all relevant figures agree and that the bank reconciliation is correctly dated prior to signing the form. The Bursar will contact the LBB for assistance with the outstanding expenditure item from the accounting system.
- (5) Independent checks will be carried out over the monthly payroll reports. The officer responsible for payroll and the officer carrying out the independent checks will both sign the reports as visible evidence of these checks being carried out.
- (6) The School will carry out an audit of all valuable and moveable item held and compile an inventory record. This will be updated upon receipt of the invoice for payment for all relevant future purchases.

Title	Hollickwood Primary School – Children’s Services			
Assurances	No	Limited	Satisfactory	Substantial
Audit Opinion & Direction of Travel				
Date final report issued	14 th December 2010			
Background	<p>The aim of the audit is to provide assurance on key areas of financial management.</p> <p>The audit is conducted in line with the “Keeping your Balance” document developed jointly by the Office for Standards in Education (OFSTED) and the Audit Commission (AC) and to ensure compliance with Barnet’s Scheme for Financing Schools and related Financial Guide for Schools.</p> <p>The scope of the audit included assessment of the following:-</p> <ul style="list-style-type: none"> ▪ adequacy of accounting, financial and other controls; ▪ compliance to established plans and procedures; ▪ the integrity and reliability of financial and other information; ▪ assets and other interests of the Council are properly safeguarded; and that ▪ the use of resources achieves value for money. 			

<p>Summary of Findings</p>	<p>The following key findings were reported:</p> <ul style="list-style-type: none"> • The 3-year Budget Plan has not been updated in line with the School’s medium term Development Plan. • There was some control weaknesses in relation to goods receipting processes • Controls over the issuing and return of blank purchase order forms were weak. • Delegation of duties was found to be inadequate, as only one officer was able to sign purchase orders. • A review of procedures and controls over the income system found no independent check to verify income collected and banked agrees to source documentation, for example spreadsheets; class lists. • Transfers of money between staff are not signed for. • No audit trails exist for income collected from educational visits as source documentation is not retained. • Sample meals income records over three consecutive weeks could not be reconciled with bank paying in slips • Year–end (2009/10) meals income and expenditure could not be reconciled, our review identified an unidentified shortfall of £3942. • Payment is not received prior to lettings taking place. • No audit trails exist to confirm lettings invoices have been paid; • Arrangements for use of the School premises by hirers and independent after-school club organisers have not been formalised. • Entries recorded within the School’s electronic inventory register were found to be incomplete. Not all entries included references to order numbers; suppliers.
<p>Priority 1 recommendations</p>	<p>There was one ‘High’ priority recommendations that is summarised as follows:</p> <p><u>Income:</u></p> <p>The school should ensure that:</p> <ul style="list-style-type: none"> • Independent checks are carried out to confirm that amounts banked agree to control records and this is adequately evidenced; • Transfers of money between staff are signed for; • All source documentation is retained in order for a clear audit trail to exist; • Accurate accounting records are maintained and clear audit trail exist for all meals income. It is recommended that alternative records be maintained until the software problems have been resolved; • The School should undertake a thorough investigation of the meals income system to confirm or rule out the potential of fraud. If fraud is suspected then management should take action as reported under item 2.11 of the LBB ‘Scheme for financial Schools’ document.

Management Responses and agreed action dates	<p>Management has agreed the following responses in relation to above recommendations:</p> <p>(1) The School will ensure that robust procedures are introduced within the income system:</p> <ul style="list-style-type: none">• The School will contact the meals income software provider and resolve all issues.• Figures posted to the accounting system for pupil meals income and expenditure for 2009/10 will be investigated.• Since the audit visit a number of procedures have been introduced to ensure that duties are adequately separated, clear audit trails exist and comprehensive records are maintained.
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4. Work in progress and effectiveness review

Appendix B includes a list of all of those audits at the planning, fieldwork, or draft reporting stages.

Appendix C shows how effective Internal Audit is at delivery of the two of the three aspects of value for money – efficiency and effectiveness. Economy is reported within quarterly performance reports to Directorates and CRC, as at the end of January we were within tolerance levels of 1%.

The exceptions that are showing within these indicators relate to the following:

Effectiveness – the percentage of recommendations implemented, this is currently at 85% with a target of 90%. The Audit Committee were provided with a separate list of all of these recommendations in February and in particular noted those that were not implemented in the timescales provided. A separate report will be a standing item on the Audit Committees work programme showing the progress with audit recommendations on a quarterly basis.

Client satisfaction scores have dropped to 86% from 100% in the previous quarter, however in the last quarter only one survey had been returned compared to 19 received in this quarter. Those cases where service was not satisfactory have been isolated to the current contractor we have in place and discussions have been had with the Director to ensure quality is improved over the last quarter of the year.

Efficiency – the percentage of plan completed to date should be in line with the allocation of audits between quarters. According to the schedule, and allowing for an overall 95% target, the service should be 83% through their work however the outcome for quarter 3 is 62% achieved against this target. However compared to 33% complete in the first two quarters of the year the team have doubled their efficiency, which is a positive improvement. Again, those audits that are not progressing as they should are isolated to the current contractor and another manager has been allocated to assist in the backlog.

In addition, there has been a decline in performance on the number of days taken to draft an annual report after field work, the target is 10 days and the service is only achieving this in 76% of cases. This has been a result of annual leave dates taken over the Christmas period and again some issues with the contractor.

5. Liaison with Officers and External Audit

The Internal Audit Service is committed to the managed audit approach. Part of this includes regular liaison with External Audit to ensure that our work can be relied upon as part of the financial accounts audit. At our quarterly meeting in January 2011 we discussed:

- Internal Audit Strategy for 2011-12
- Internal Audit progress for systems audits in 2010-11

- Internal Audit planning for 2011-12
- Corporate risk register
- External audit updates

Regular meetings occur between key officers and the Assistant Director of Audit and Risk Management, and engagement remains positive and constructive to improving the internal control environment.

6. Changes to our plan

Since the Internal Audit Plan was approved the following audits have been cancelled, deferred or are additional to that approved and the Audit Committee is requested to note these:

Type	Audit Title	Reasons
Cancelled	Highways restructure	The restructure will take place alongside the parking outsourcing which will be during 2011-12.
Deferred	Electronic Document Record Management (EDRM)	Project will not take place until late 2010-11 and therefore limited value to audit at this stage. This has been included within the 2011-12 audit plan.
Additions	LAA grant	Required to be signed off by Internal Audit however not advised until late November of this requirement.

7. Risk Management

Progress continues within risk management according to the detailed improvement plan. Key risk management tasks that were carried out in the quarter:

- Risks were challenged and discussed within the Risk and Fraud Forum in early January;
- The top three risks were included within the corporate performance report which was discussed and monitored within the Corporate Directors Group and fed into the Cabinet Resources Committee in early February;
- To increase transparency and accountability these risks were included on the internet and available to the public for further scrutiny and challenge <http://www.barnet.gov.uk/index/council-democracy/corporate-plan-reports/cp-annual-performance-monitors.htm> ;
- Additional scrutiny occurs at the Audit Committee who review the corporate risk register and monitor controls and actions through the delivery of the Annual Audit plan;
- A risk manager was seconded from the London Borough of Enfield to challenge and review the risk registers of the programme board and projects of One Barnet.
- The risk management policy and strategy has been revised and included in the March agenda for implementation in April 2011.

The following diagram shows the number of risks currently in the risk register (13) and where they sit in terms of potential impact and probability. This remains unchanged from the previous quarter. The detail of the entire risk register is included within Appendix D in this report for information and scrutiny.

High	0	0	5	Probability
Medium	0	2	5	
Low	0	0	1	
	Low	Medium	High	
	Impact			

Appendix A: 2010/11 work completed during quarter 3 including assurance levels

Audit Opinions on Completed Audits from 1 November to 31 January 2011

Systems Audits	Assurance
1 Environmental Health – Income process	Satisfactory
2 Independent Provider Performance – SEN	Limited
3 Project Governance – Pothole Elimination Project	Satisfactory
4 Safer Recruitment	Limited
5 Cash book control and reconciliation	Limited
6 Equalities	Limited
7 Fire Safety	Satisfactory
8 LG Pension Administration	Limited
Residential Nursing Care – advice and guidance presentational	
9 review	N/A
10 Environmental Health	No

School Audits	Assurance
1 Goldbeaters	No
2 Deansbrook Infant	Satisfactory
3 Garden Suburb Infant	Satisfactory
4 Northside	Satisfactory
5 Holickwood	Limited
6 Our Lady of Lourdes	Satisfactory
7 St Vincent's	Satisfactory
8 Blessed Dominic	Satisfactory
9 Brookland Infant	Satisfactory
10 All Saints	Satisfactory

Appendix B: Work in progress

The following work is in progress going into quarter 4.

Work in progress quarters 1,2 and 3

Systems Audits	Status
1 Business continuity	Fieldwork
2 Debit and credit cards	Draft report
3 Reviewing	End of Fieldwork
4 Special Educational Needs Placements	Draft report
5 One Barnet – Development and Regulatory Services project	Terms of Reference
6 Grants Audit	Draft report
7 Strategic Procurement	Fieldwork
8 Budgetary Control	Fieldwork
9 Capital Programme	Fieldwork
10 Corporate Governance	Planning
11 Council Tax	Review stage
12 NNDR	Review stage
13 Housing Benefits	Review stage
14 Parking	Draft report
15 Performance Management – Adults	Fieldwork
16 Recruitment – payroll	Review stage
17 Sustainability	Draft report
18 Treasury Management	Fieldwork
19 Waste Prevention	Draft report
20 Information Systems – Business continuity	Draft report
21 Risk Management in Children’s Services	Draft report
22 Accounts payable	Review stage

School Audits	Status
1 St Johns	Planning
2 Christ Church	Planning
3 Woodrige	Planning
4 Pardes	Planning

Appendix C: Internal Audit Effectiveness Indicators as at 31 January 2011

Performance Indicator	Target Q2	Actual Oct 10	Actual Jan 11
Effectiveness			
% of recommendations accepted	98%	100%	100%
% of recommendations implemented	90%	89%	85%
External Audit evaluation of Internal Audit	Reliance On IA	Quarter 4 assessed	
Average client satisfaction score	90%	100%*	86%
Efficiency			
% of Plan delivered	83%**	33%	62%
% of available time spent on direct audit work	80%	Quarter 3	
% of draft reports completed within 10 days of finishing fieldwork	90%	90%	76%
Periodic reports on progress	Each Audit Committee	Achieved	Achieved
Preparation of Annual Plan	By March	Quarter 4	Quarter 4
Preparation of Annual Report	Prior to A.G.S.	June 2011	June 2011
Staff Management			
Staff with professional qualifications	70%	80%	80%
Staff development days	5 days	Quarter 4	Quarter 4

* Only one survey had been returned from those surveyed

** Target amended to show 95% of quarterly spread of audits. Schools are to be delivered by Quarter 3 hence why the target is front loaded for delivery.

Appendix D: Corporate Risk Register as at 31st January 2011

Risk	Initial Assessment			Control Actions	Target Date (Priority)	Current Assessment		
	Impact	prob				Impact	Prob	
<p>ORG0001 - Reputational Transformation – The Council’s strategic agenda is defined by the One Barnet programme which is designed to transform public services to Barnet citizens, working with our partners and the community, in the context of severe resource constraint.</p> <p>Risk – failure to deliver One Barnet effectively, with declining service performance and citizen satisfaction. Sub-optimal commercial arrangements with third parties.</p>	High 3	Mediu m 2	High 6	Ensure effective governance arrangements with both Cabinet Members and senior management engaged. <i>In Progress (0% complete)</i>	31/03/2011 (Normal)	High 3	Mediu m 2	High 6
			Communication and Engagement strategy to ensure project level communications and engagement plans are in place <i>Implemented (100% complete)</i>					
			Transition Strategy to ensure business as usual is maintained during the delivery of the programme <i>In Progress (40% complete)</i>	31/3/2011 (Normal)				
			Benefits Realisation Framework <i>In Progress (20% complete)</i>	31/3/2011 (Normal)				
			Programme plan produced and signed off <i>In Progress (65% complete)</i>	31/3/2011 (Normal)				
			Project communications plans for live projects produced and signed off <i>In Progress (90% complete)</i>	31/3/2011 (Normal)				
			Risk management framework included risk and issue standards <i>Implemented (70% complete)</i>	31/3/2011 (Normal)				
			Risk management framework communicated to all live and pending projects and stakeholders <i>In Progress (40% complete)</i>	31/3/2011 (Normal)				
			implementation partnership has	31/3/2011				

Risk	Initial Assessment			Control Actions	Target Date (Priority)	Current Assessment		
	Impact	prob				Impact	Prob	
				been put in place to fill the knowledge and experience gap with regard to commercial assurance. <i>Implemented (100% complete)</i>	(Normal)			
ORG0002 - Financial Central government support has been cut and our response to this has gone to Cabinet and the budget will be finalised in February. Risk – given the scale of the savings there will be key concerns in delivering those savings over the next 4 years and managing to deliver services in times of such uncertainty.	High 3	High 3	High 9	Financial and Business Planning Process <i>Complete (100% complete)</i> Risk assessment of savings plans <i>In Progress (0% complete)</i>	28/02/2011 (Normal) 31/3/2011 (Normal)	High 3	Medium 2	High 6
ORG0003 – Compliance - original Information management – The Council’s overall arrangements to manage information, including systems, data sharing, data protection, freedom of information, transparency etc need further development. Risk – breach of information management requirements, sub-optimal service delivery with partners, failure to address transparency agenda effectively. Mitigating action: improvement programme to be specified and delivered.	High 3	Medium 2	High 6	Information Governance Action Plan devised from recommendations in various internal and external reviews - <i>Complete</i> Set up Information Governance Council (IGC) to oversee actions from the IM Review. - <i>Implemented Complete</i> IGC to commission further work to enhance information management: - revised ICT Policy - IM Strategy - Information framework, including data retention and data sharing - review of information sharing protocols and standards, <i>In Progress (0% complete)</i>	 30/4/2011 (Normal)	High 3	Medium 2	High 6

Risk	Initial Assessment			Control Actions	Target Date (Priority)	Current Assessment		
	Impact	prob				Impact	Prob	
<p>ORG0004 - Reputational Governance – The Council faces a period of major change with potential organisational trauma impacting on core governance systems and processes.</p> <p>Risk – breakdown in core governance systems leading to financial loss or reputational damage.</p>	High 3	Low 1	Medium 3	<p>Comprehensive performance management reporting process including key risks at Directorate and Corporate level. - <i>Implemented</i></p> <p>Governance reporting to Statutory Officers Group. Report produced. <i>In progress (75% complete)</i></p>		High 3	Low 1	Medium 3
<p>ORG0005 - Reputational Asset management – Asset management planning is inconsistent and not well integrated into the business planning process. Capital programme delivery is not timely.</p> <p>Risk – failure to deliver cost-effective capital assets necessary to support service delivery.</p>	High 3	Mediu m 2	High 6	Develop Estate Strategy <i>In Progress (90% complete)</i>	31/3/2011 (Normal)	High 3	Mediu m 2	High 6
				Establish a Corporate Asset Management information system <i>In Progress (30% complete)</i>	31/03/2011 (Normal)			
<p>ORG0006 - Reputational Procurement – The Council’s procurement arrangements are fragmented, with spend outside contracts, insufficient aggregation, and inadequate support to procurement processes.</p> <p>Risk – failure to deliver value for money, uncommercial contracts with suppliers.</p>	High 3	High 3	High 9	Consolidate procurement activity within the Commercial Directorate <i>In Progress (50% complete)</i>	31/03/2011 (Normal)	Mediu m 2	Mediu m 2	Medium 4
				Develop and Implement an up to date Procurement Strategy <i>In progress (30% complete)</i>	30/04/2011 (normal)			
<p>ORG0007 – Financial Iceland deposits – The Council is currently assuming recovery of Icelandic bank deposits based on priority status for UK local authorities. The Icelandic courts may determine that UK local authorities will not have priority status, leading to lower recovery in the sum of c£14m.</p> <p>Risk – insufficient provision in the risk reserve and use of general fund balances which would</p>	High 3	Mediu m 2	High 6	Work with the LGA and other affected authorities to maximise recovery through the Icelandic courts. lawyers for affected authorities are preparing case <i>In Progress (50% complete)</i>	31/03/2011 (Normal)	High 3	Mediu m 2	High 6

Risk	Initial Assessment			Control Actions	Target Date (Priority)	Current Assessment		
	Impact	prob				Impact	Prob	
need to be re-established at the minimum level.								
ORG0008 was closed in Quarter 2 and transferred to the Directorate Risk Register for resolution.								
ORG0009 – Political Narrowing the gap – The Council plans to narrow the educational attainment gap between children with the greatest disadvantage and average attainment. This is part of a wider strategy to support vulnerable families and minimise the cost of public services. A number of Barnet schools are likely to seek Academy status. Risk – reduction in Council controlled support to schools and consequent reduced ability to influence the contribution of school to this agenda.	Medium 2	Medium 2	Medium 4	Develop strategy for new LA role <i>In Progress</i> (75% complete)	31/3/2011 (High)	Medium 2	Medium 2	Medium 4
				School Improvement Partners complete attainment review for all schools <i>Proposed</i> (100% complete)	31/03/2011 (Normal)			
ORG0010 – Reputational Development and infrastructure – Development within the Borough through the medium-term is planned to deliver 8,800 new homes and an increase in population of 20,000 by 2015. Risk – public service infrastructure within the borough is not able to expand to accommodate the increased requirements.	High 3	High 3	High 9	Planning Policy to negotiate S106 agreements <i>In progress</i> (0% complete)	31/07/2011	High 3	High 3	High 9
				Explore other innovative forms of funding <i>In progress</i> (20% complete)	30/04/2011			
ORG0011 – Compliance Waste management and sustainability – The cost of waste disposal will increase significantly in the medium-term due to landfill tax increases	High 3	High 3	High 6	Regular Barnet Waste Project Board meetings to enable informed officer input to the process, and prepare briefings for members –	30/04/2011	High 3	High 3	High 6

Risk	Initial Assessment			Control Actions	Target Date (Priority)	Current Assessment		
	Impact	prob				Impact	Prob	
<p>and the procurement of new waste disposal facilities by the NLWA. The loss of £258.4m PFI credits presents further risk to the affordability and progress of the procurement. Waste minimisation, collection and recycling arrangements will significantly impact on cost and the amount of waste sent for disposal. In addition, the carbon reduction scheme will impose financial penalties in respect of wider sustainability issues. Government likely to further increase penalties/incentives.</p> <p>Risk – increased waste sent for disposal at significantly increased cost. Lack of progress on wider sustainability agenda attracting additional carbon commitment penalties.</p>				<i>In Progress (0% complete)</i>				
				NLWA Procurement risk register maintained and updated – <i>In Progress (0% complete)</i>	30/4/2011			
				Progress at NLWA meetings, critical review of NLWA papers, with additional support from specialist consultant <i>In Progress (0% complete)</i>	30/4/2011			
				Develop & implement Waste Action Plan – <i>In Progress (30% complete)</i>	30/4/2011			
				Annual communications plan to include more targeted communications based on the intelligence available <i>In Progress (30% complete)</i>	30/4/2011			
				Establish & Embed Carbon Reduction Commitment Steering Group to strengthen management focus on Carbon Reduction commitment In Progress (50% complete)	31/03/2011 (normal)			
	30/4/2011							
				Options for the procurement going forward and their affordability is being considered with the NLWA. <i>In Progress (0% complete)</i>				
ORG0012 - Financial Primary school places – Demand for primary school places will increase through the medium-term and investment requirements totalling c£40m are currently unfunded. Risk – insufficient primary school places are available to meet	High 3	High 3	High 9	Cabinet report Sept 6th 2010 setting out strategy and likely investment needs. Report approved by Cabinet – <i>Implemented (100% complete)</i>		High 3	High 3	High 9
				Commence consultation on the				

Risk	Initial Assessment			Control Actions	Target Date (Priority)	Current Assessment		
	Impact	prob				Impact	Prob	
statutory requirements.				expansion of Broadfields <i>Implemented</i> (100% complete) Gain Cabinet approval for expansion of Broadfields Complete (100%)				
ORG0013 - Financial Demographic Funding Pressures. Risk of needing an additional funding requirement of £6.3m by 2015 caused by increasing demand and contractual pressures on Adult Social Services from an increasing ageing population (13.8% growth in population aged over 65 by 2015 – ONC population projections) and increased numbers of young people with complex disabilities surviving into adulthood.	High 3	High 3	High 9	Inflationary uplifts being managed at 0% <i>In Progress</i> (0% complete) New fairer contributions policy to be consulted on <i>In progress</i> (0% complete) DDofASS and ADoC to develop and agree a joint transition strategy for Barnet Proposed (0% complete) Ensure Council's approach to dealing with indexation and contracts is in line with Adults medium term financial plan In progress (0% complete)	31/03/2011 (Normal)	High 3	High 3	High 9
ORG0014 - Financial Risk: new revenues and benefits systems will not be in place with effect April 2011 to collect taxes and administer benefits. Cause: Current supplier of Revs & Bens IT taken over by third party. Third party are desupporting the existing system with effect from January 2011 forcing all current users to source new systems. Consequence: Go-live has been delayed on 2	High 3	High 3	High 9	Investigating the support of the current product beyond its proposed termination date as a contingency plan as a result of delay Complete (100% complete) Constant monitoring and reporting of risks, issues and progress through the various departments and companies involved. In Progress (80% complete)	14/2/2011 (High) 14/2/2011 (High)	High 3	High 3	High 9

Risk	Initial Assessment			Control Actions	Target Date (Priority)	Current Assessment		
	Impact	prob				Impact	Prob	
occasions due to IT hosting and the required quality criteria for data conversions. Current go-live mid February 2011. Level of debt and benefit administered within the affected databases totals c£600m per annum.				Legal advice to be sought. In Progress (80% complete)	14/2/2011 (High)			
				Existing system shut down whilst the data converts to the new system. In progress (100% complete)	14/2/2011 (High)			
				Go Live of new system once reconciled In progress (0% complete)	14/2/2011 (High)			