| Meeting |
| :---: |
| **Governance, AUDIT, RISK MANAGEMENT AND STANDARDS COMMITTEE (GARMS)** |
| **Date and time** |
| **Thursday 18TH JANUARY, 2024** |
| **At 7.00 PM** |
| **Venue** |
| **HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BQ** |

**To:    Members of Governance, AUDIT, RISK MANAGEMENT AND STANDARDS COMMITTEE (GARMS) (quorum 4)**

Chair:              Councillor Arjun Mittra
Vice Chair:       Councillor Ella Rose

| | | |
| --- | --- | --- |
| Rohit Grover | Peter Zinkin | Richard Harbord |
| Humayune Khalick | Simon Radford | Jack Chan |

**Substitute Members**

| | | |
| --- | --- | --- |
| Shuey Gordon | Geof Cooke | Alex Prager |
| Edith David | Laithe Jajeh | |

In line with the Constitution's Public Participation and Engagement Rules, requests to submit public questions or comments must be submitted by 10AM on the third working day before the date of the committee meeting. Therefore, the deadline for this meeting is Monday 15 January at 10AM. Requests must be submitted to Farah Hussain and Georgina Wills: Farah.Hussain@Barnet.gov.uk / Georgina Wills: georgina.wills@Barnet.gov.uk

**You are requested to attend the above meeting for which an agenda is attached.**

**Andrew Charlwood – Head of Governance**

Governance Service contact: Farah Hussain and Georgina Wills:
Farah.Hussain@Barnet.gov.uk / Georgina Wills: georgina.wills@Barnet.gov.uk

Media Relations Contact: Tristan Garrick 020 8359 2454 Tristan.Garrick@Barnet.gov.uk

**Assurance Group**

*Please consider the environment before printing.*

BARNET
LONDON BOROUGH

# Order of Business

## Facilities for people with disabilities

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**Minutes of the Governance, Audit, Risk Management and Standards Committee (GARMS)**

27 November 2023

Members Present:-

Councillor Arjun Mittra (Chair)
Councillor Ella Rose (Vice-Chair)

Councillor Rohit Grover  Councillor Simon Radford
Councillor Humayune Khalick  Richard Harbord (Independent Member)
Councillor Peter Zinkin

Apologies for Absence
Jack Chan (Independent Member)

## 1. ABSENCE OF MEMBERS

Jack Chan, Independent Member, sent his apologies to the Committee.

## 2. MINUTES OF THE PREVIOUS MEETING

**RESOLVED that the minutes of the previous meeting held on 16 October 2023 be agreed as a correct record.**

Matters arising from the Minutes.

- Item 7 Status of the 2020/21 Audit and Plans for 2021/22 And 2022/23 Audit Delivery.

The Chair advised the Committee that they would receive an update regarding the status of the 2020/21 Audit and this will be discussed under agenda Item 9.

## 3. DECLARATION OF MEMBERS' DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS (IF ANY)

None.

## 4. DISPENSATIONS BY THE MONITORING OFFICER (IF ANY)

None

## 5. DEPUTATIONS (IF ANY)

None.

## 6. PUBLIC QUESTIONS AND COMMENTS (IF ANY)

None.

## 7. CORPORATE ANTI-FRAUD TEAM (CAFT) HALF YEAR REPORT 2023-24

Declan Khan (Assistant Director Counter Fraud, Community Safety & Protection) presented a report which covered the period between 1st April 30th to September 2023 and provided an up-to-date picture of the work undertaken by the Corporate Anti-Fraud Team (CAFT) during this timeframe.

Members welcomed the work undertaken by the CAFT Team in tackling fraudulent activities and successfully prosecuting perpetrators. The Committee discussed the statistics regarding these activities and requested that information be provided on how current figures compared to the previous year. Officers advised that a report detailing this information would be brought to the Committee in June 2024. (**Action: Assistant Director Counter Fraud, Community Safety & Protection**).

Members were advised that the length of time for repossessing properties varied and noted on occasions social tenants would illegally sublet their homes. These properties are returned to Barnet Homes and may need to be renovated before being relet. Following questions from Members Officers advised that Central Government were reviewing on how technology could be used to deter and detect Blue Badge fraud and that Department of Transport (DoT) also take part in the information gathering regarding their misuse. There is usually a high concentration of misuse of blue badges at Town Centres and checks undertaken in areas are intelligent led and outcomes are captured in the CAFTs INTEL system and used in the planning of operations. Officers advised that Blue Badge holders are contacted and informed that these permits would be withdrawn if they are misused.

In response to Members, Officers advised that Penalty Charges Notices (PCN) are registered to the vehicle registration number and non-payment of these fines after a certain period would be considered as a debt and are recovered. The Parking Team are responsible for issuing and overseeing all PCN.

The Committee agreed that various examples of case studies of successful prosecution of fraudulent activities by the Council should be widely publicised (**Action: Assistant Director Counter Fraud, Community Safety & Protection**). The CAFT have recently organised a series of events during International Fraud Awareness Week and these included workshops for staff and information points at Brent Cross Shopping Centre.

**RESOLVED**

**1. That the work of the Corporate Anti-Fraud Team referred to in the CAFT Half Yearly Report for 2023-2024 be acknowledged.**


8.    **ORACLE CLOUD IMPLEMENTATION IN BARNET UPDATE**

Anisa Darr, (Executive Director of Resources) presented a report which provided an update on the implementation of the Council's new finance and HR system, Oracle Cloud. The report highlighted the progress made, key risks and summarises the lessons learned from implementing Oracle Cloud at other councils (based on publicly available information).

The Committee noted that one of the primary risks regarding Oracle Cloud was around the timely availability and quality of data of the current systems and raised questions how this was to be managed. Officers advised that there were two main data sources and these included finance from the financial procurement system and HR data from the core

HR system. The finance data was reported to be under control and 3 data migration cycles undertaken were all successful. There have been difficulties with transferring HR data into a useable format and the first HR data migration cycle however was successful. There will be further data migration cycles conducted before the Oracle Cloud goes live.

In response to questions from Members, Officers advised that there would be no other finance and HR data system operating in parallel once Oracle Cloud goes live. There would be extensive support provided to staff members regarding navigation and usage of the Oracle Cloud. The main users of the site are staff members based in Finance, Procurement, Business Support and HR and these officers would be upskilled and be supported through the transition by the programme and their managers.

Members requested that an updated report be presented at their meeting in April 2024 which details the risk analysis that were carried out prior to Oracle Cloud going live and noted that this information would clarify why this decision was made **(Action: Executive Director of Resources).** Officers advised that several other London Local Authorities who had adopted Oracle Cloud had been liaised with regarding its implementation and lessons learnt.

**RESOLVED**

**1. The Committee noted the actions that are being taken to ensure a successful implementation of the new Finance and HR system for the Council.**

9.    **STATUS OF THE 2020/21 AUDIT AND PLANS FOR 2021/22 AND 2022/23 AUDIT DELIVERY**

 Anisa Darr, (Executive Director of Strategy and Resources) presented a report which set out the status of the 2020/21 Audit and Plans for 2021/22 and 2022/23 Audit Delivery.

The Chair advised that following the last GARMS Committee the Leader of the Council and himself had been briefed by the Chief Executive regarding the whistleblowing complaint. The whistleblowing complaint is connected to an employment matter and grievance which had been dealt with. The complaint as it stands is unsubstantiated and not precise in its nature. The Chief Executive has commissioned an external review by Grant Thornton UK LLP (GT) to firstly clarify the allegations and secondly to clarify whether there is a case for a full investigation or not. This review is currently taking place and Members will be briefed at the outcome at their next meeting in January 2024. The Committee was advised that no further discussions regarding the complaint could be held.

Mr Michael Asare Bediako BDO UK LLP, advised that GT had briefed BDO UK LLP about the complaint and the former was reviewing its potential impact on the financial statement. In response to the Committee, Mr Asare Bediako advised that the complaints were in relation to an 'ongoing contracts' and 'contract management' and that GT investigation may be limited and therefore the matter had been referred to BDO UK LLP internal forensic department to make a fuller investigation. BDO UK LLP will also be requesting further information from the Council about the complaint. This may potentially further delay the 'sign off' for the 2020/21 Accounts.

Members raised concerns about the further potential delay on the Audit of the 2020 / 21 Accounts by the Whistleblowing Complaint and the risks of qualified accounts being

signed. Mr Asare Bediako advised that this position was unlikely to occur as the auditing of the 2020/21 Accounts was in the advance stage and would be within the set timeframe. In response to the Committee, Asare Bediako advised that a few aspects regarding the financial statements such as infrastructure assets were still being reviewed and that some queries remain outstanding. The Committee was advised that all queries raised by BDO UK LLP had been addressed apart from the recent enquiries made.

The Chair raised further concerns regarding the ongoing delay with the disclosure of the 2020/21 Accounts and commented that it was unacceptable and requested information on when the Audit would be finalised. Asare Bediako acknowledged that the length of period taken to sign off the 2020/21 Accounts was unsatisfactory. The Committee was informed that BDO UK LLP would incur reputational damage if the wrong qualification was submitted by the Advisory Firm and work would be undertaken to ensure that Accounts are signed before the backstop date is enforced. Asare Bediako advised that the Committee would receive a full update on the implication of the complaint at their next meeting in January 24 **(Action: Mr Asare Bediako, BDO UK LLP)**

Councillor Peter Zinkin moved a motion to amend Recommendation 1 and this was seconded by the Chair. It was agreed that the recommendation be amended to read 'That the Committee noted with extreme concern the lack of progress towards the sign off the Council's 2020/21 Statement of Accounts and urged BDO UK LLP to do everything possible to complete these set of Accounts'.

**RESOLVED**

1. **The Committee noted with extreme concern the lack of progress towards the sign off of the Council's 2020/21 Statement of Accounts and urged BDO UK LLP to do everything possible to complete these set of Accounts'.**

2. **That the Committee noted BDO's Audit status report which gives an Audit Status and Completion Plan for the audit of the years 2020/21, 2021/22 and 2022/23.**

10. **QUARTERLY RISKS REPORT (Q2 2023/24)**

Alaine Clarke, Head of Programmes, Performance and Risk presented a report which provided an overview of risks for the latest (completed) quarter, focusing on the council's strategic and high level (15+) service risks. These risks were reviewed in Quarter 2 (Q2) 2023/24 by risk owners/managers and Directorate Senior Leadership Teams before undergoing a "check and challenge" by the corporate risk team and final review by the Council Management Team on 24 October 2023.

The Committee was informed that the Overview and Scrutiny Committee had considered a report on Brent Cross West and associated critical Infrastructure project and that Cabinet would decide on the area. Members was informed that Risk STR026 'Embedding the new administration's priorities' was added onto the Strategic Risk Register in June 2022 following the change of the Administration and this was included to ensure that the right meetings and structures were in place to deliver the new priorities. Members held a discussion and noted that the Corporate Risk Register should reflect all the risks faced by the Council and these included changes in the political direction and its impact on policies and their implementation. The Committee were reminded that a new governance system had also been adopted alongside the Corporate

Plans by Full Council. Members suggested that Risk STR026 title be amended and reads 'The Corporate Plan's Priorities' (**Action: Head of Programmes, Performance and Risk**).

Members noted that Risk STR026 had increased and that the Local Government Association (LGA) Peer Challenge was referenced. Members advised that the Action Plan for the Peer Challenge wording should be reviewed as the word 'We' was used interchangeably for the Corporate Management Team (CMT) and Cabinet (**Action: Head of Programmes, Performance and Risk**). The Committee was advised that the Peer Challenge had highlighted that the relationship between CMT and Cabinet had not 'fully yet matured' and its perception on what amounted to a 'good officer relationship' was not completely aligned with that of the LGA and these specific issues would need to be addressed.

**RESOLVED**

**1. That the Committee noted the status of the council's strategic and high level (15+) service risks, including the controls/mitigations in place to manage these risks.**


**11.    COMMITTEE FORWARD WORK PROGRAMME**

The Committee noted the Work Programme and was advised that it would be revised to include all the reports and updates requested during the meeting.


**12.    PETITIONS (IF ANY)**

None


The meeting finished at 8.30 pm

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# Governance, Audit, Risk Management and Standards Committee (GARMS)

| | |
|---|---|
| **Title** | Internal Audit Exception Recommendations Report and Q3 Progress Report<br><br>1st October to 31st December 2023 |
| **Date of meeting** | 18th January 2024 |
| **Report of** | Executive Director of Assurance<br><br>Head of Internal Audit |
| **Wards** | N/A |
| **Status** | Public |
| **Urgent** | No |
| **Appendices** | Appendix A - Internal Audit Q3 progress report (1st October to 31st December 2023)<br><br>Appendix B – Internal Audit Q3 Follow-up Outcomes Report (1st October to 31st December 2023) |
| **Officer Contact Details** | Caroline Glitre, Head of Internal Audit<br><br>caroline.glitre@barnet.gov.uk<br><br>020 8359 3721 |

## Summary

The GARMS Committee are requested to note the progress against internal audit recommendations and work completed to date on the Internal Audit Plan 2023-24 and high and medium priority internal audit recommendations.

The Audit Committee approved the Internal Audit Plan for 2023-24 on 26th April 2023.

During Q3, the service completed 19 reviews and at the end of Q3 had delivered 70% of our annual internal audit programme for 2023/24, against a target of 75% for Quarter 3.

There was one Limited Assurance report issued this quarter which is summarised in the attached progress report:

- Business Continuity

During Q3, follow-up work was undertaken on 33 high and 7 medium priority actions falling due up until 31st December 2023 or sooner.  Of the 40 actions followed up:

24 were implemented (60%);

2 were not implemented (5%); and

14 were found to be in progress (35%).

Progress against audit actions is summarised in more detail in the Follow-up Outcomes Report which is included at Appendix B.

## Recommendations

1. **That the Governance, Audit, Risk Management and Standards Committee note the general work completed to date on the Internal Audit Q3 report – 1st October to 31st December 2023.**

2. **That the Governance, Audit, Risk Management and Standards Committee note the work completed to date on Schools within the Internal Audit Q3 report – 1st October to 31st December 2023.**

## Reasons for the Recommendations

1.1 The GARMS Committee's role in receiving this report is to note the overall progress made against the 2023-24 Internal Audit Plan and the high and medium priority recommendations made. In addition, the Committee can inquire of Directors and Assistants Directors as to their progress against recommendations.

1.2 The Audit Committee approved the Internal Audit Plan 2023-24 in April 2023, and this report notes the progress against that plan and progress against high and medium priority recommendations.

1.3 Compliance with the Public Sector Internal Audit Standards.

## Alternative Options Considered and Not Recommended

2.1 Not Relevant

## Post Decision Implementation

3.1 The remaining work on the Internal Audit 2023-24 Plan will be delivered and progress against the plan reported to the GARMS Committee at future meetings throughout the year.

## Corporate Priorities, Performance and Other Considerations

**Corporate Plan**

4.1 Our Plan for Barnet (the corporate plan 2023 -2026) was adopted in March 2023.

4.2 All internal audit planned activity in 2023-24 is aligned with the Council's objectives set out in the Corporate Plan 2023-2026, 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.

**Corporate Performance / Outcome Measures**

4.3 A comprehensive Internal Audit Plan is essential to giving an annual Internal Audit Opinion on the internal control environment (ICE) which is fundamental for the achievement of all of the Council's objectives. This opinion forms an integral element of the Annual Governance Statement.

4.4 The Council has a responsibility to protect the public purse through proper administration and control of the public funds and assets to which it has been entrusted.

**Sustainability**

4.5 None in the context of this decision.

**Corporate Parenting**

4.6 None in the context of this decision.

**Risk Management**

4.7 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.

4.8 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.

**Insight**

4.9 None in the context of this decision

**Social Value**

4.10 None in the context of this decision

## Resource Implications (Finance and Value for Money, Procurement, Staffing, IT and Property)

5.1 When internal audit findings are analysed alongside finance and performance information it can provide management with the ability to assess value for money.

5.2 In addition, the follow-up of audit recommendations will ensure that a positive culture of internal control is achieved.

5.3 The delivery of the Internal Audit plan is being achieved from Internal Audit's current budget.

## Legal Implications and Constitution References

6.1 The Council's Constitution (Part 2B) sets out the terms of reference for Committees. The responsibilities for the Governance, Audit, Risk Management and Standards (GARMS) Committee include providing "independent assurance to the members of the adequacy of Barnet Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place".

6.2 The Council also has a duty under section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Regulation 3 of the Accounts and Audit Regulations 2015 requires the Council to ensure that it has a sound system of internal control which:

- Facilitates the effective exercise of its function and the achievement of its aims and objectives;

- ensures that the financial and operational management of the authority is effective; and

- includes effective arrangements for the management of risk.

6.3 Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 requires 'an authority to conduct a review at least once in a year of the effectiveness of its system of internal control.'

## Consultation

7.1 N/A

## Equalities and Diversity

8.1 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 to ensure compliance with the Council's duties under the 2010 Equality Act.

## Background Papers

9.1 Audit Committee 11 March 2010 (Decision Item 11) - the Committee 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.

http://barnet.moderngov.co.uk/Data/Audit%20Committee/201003111900/Agenda/Document%208.pdf

9.2 Audit Committee 21 September 2010 (Decision Item 7) – the Committee agreed that where an audit had limited assurance that greater detail be provided than previously.

http://barnet.moderngov.co.uk/Data/Audit%20Committee/201009211900/Agenda/Document%203.pdf

9.3 Audit Committee 17 February 2011 (Decision Item 7) – the Committee (i) agreed that a report would be prepared quarterly regarding those internal audit recommendations not implemented (ii) requested that the table of priority 1 recommendations should in future indicate what date recommendations were made to service areas and the implementation date.

http://barnet.moderngov.co.uk/Data/Audit%20Committee/201102171900/Agenda/Document%204.pdf

9.4 Audit Committee 26 April 23 (Decision Item 10) – the Audit committee approved the Internal Audit and Anti-Fraud Strategy and Annual Plan 2023-24.

https://barnet.moderngov.co.uk/documents/s77692/Internal%20Audit%20CAFT%20Plan%20202324.pdf

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**Appendix A**

*Internal Audit Q3 Progress Report*
*1 October – 31 December 2023*

*Cross Council Assurance Service*

# 1.0 Summary

## 1.1 Purpose of this report

1.1.1 We are committed to keeping the Governance, Audit, Risk Management and Standards Committee (GARMS) up to date with Internal Audit progress and activity throughout the year. This summary has been prepared to update you on our activity since the last meeting in July (Q2) and to bring to your attention any other matters that are relevant to your responsibilities.

## 1.2 Progress against the 2023/24 internal audit plan

1.2.1 We have completed 19 reviews in this current period and to date have delivered 70% of our combined 2023/24 annual internal audit programme. This is slightly below the quarter three (Q3) target of 75% at the end of December 2023.

Please see Appendix A for further narrative on our performance indicators (PIs).

1.2.2 There was one 'Limited' assurance report issued in this period and covered in this report:

- Business Continuity

## 1.3 Findings of our Follow Up Work

1.3.1 We have commenced follow up work on all **high priority actions** with an implementation date of 31 December 2023 or sooner. We have had discussions with management on the progress made in implementing actions falling due in this period and have sought evidence to support their response.

A total of 33 high priority actions have been followed up in Q3:

- 22 actions have been confirmed as implemented (67%); and
- 10 actions have been partially implemented (in Progress) (30%).
- 1 action has not been completed (3%).

| High priority actions:<br><br>Follow-up Summary | Total | Implemented | In progress | Not Implemented |
|---|---|---|---|---|
| Total Number of Actions Tested | **33** | 22 | 10 | 1 |

1.3.2 We also follow-up a sample of medium priority actions to confirm implementation.

A total of 7 medium priority actions have been followed up in Q3:

- 2 actions have been confirmed as implemented or closed (29%);
- 4 actions have been partially implemented (in Progress) (57%); and
- 1 actions have been marked as Not Implemented (14%).

| Medium priority actions:  Follow-up Summary | Total | Implemented | In progress | Not Implemented |
|---|---|---|---|---|
| Total Number of Actions Tested | 7 | 2 | 4 | 1 |
|  |  |  |  |  |
| **Total actions followed up in Q3** | 40 | 24 | 14 | 2 |
| % |  | 60% | 35% | 5% |

**1.3.3** In total, only 60% of actions followed up in Q3 have been confirmed as implemented at this time, which is clearly below the target of 90%. A verbal update will be given to Governance, Audit, Risk Management and Standards Committee (GARMS) if any evidence of further progress is provided.

**1.3.4** Until we have clear confirmation that the implementation of audit actions is at an appropriate level and that this is sustainable, we will maintain the risk rating as 16 against the following risk within the Assurance Group risk register:

ASS018 - Audit advice and/or agreed actions not being implemented could lead to a deterioration in the council's control environment resulting in the Head of Internal Audit providing a Limited Assurance Annual Opinion.

**1.3.5** Progress against audit actions is summarised in more detail in the Follow-up Outcomes Report which is included at Appendix B. At the request of the Committee a column has been included to show how many times the action has slipped i.e. not been implemented within the agreed timeframe. The colour key is as follows:

White = 1 (i.e. first-time non-implementation being reported)

Amber = 2 (i.e. second time non-implementation being reported)

Red = 3+ (i.e. at least third time non-implementation being reported)

## 1.4 Recommendations

That the Governance, Audit, Risk Management and Standards Committee (GARMS) notes the progress made against our 2023/24 Internal Audit Plan.

## 2.0 Reports with significant impact issued since the previous meeting

## 2.1 Limited Assurance Reports

### 2.1.1 Business Continuity

| Number of Recommendations by Risk Category | |
|---|---|
| High | Medium |
| 3 | 2 |

**Scope and Background**

Business Continuity Management (BCM) arrangements enable an organisation to effectively recover its priority activities and resources following a disruption to operations. This review examined the London Borough of Barnet (the "Council") BCM programme to consider the extent to which it aligns to management requirements and good practice where relevant.

The usual aim of a BCM programme is to provide a proactive approach to minimising the risk and impact of business disruptions. Some organisations require this to be done in a manner that demonstrates resilience to key stakeholders and interested third parties, usually to meet regulatory requirements or create commercial advantage.

This review assessed the design of the BCM programme (the ongoing management and governance process to implement and maintain business continuity management) to consider the extent to which it aligns to Strategic management requirements and useful good practice. We considered any potential gaps in the current BCM programme approach and capability, as well as potential opportunities to simplify and streamline, considering guidance, including the ISO 22301 (International Standard for Business Continuity Management) and the Business Continuity Institute Good Practice Guidelines (GPG).

**Summary of findings**

Using guidance, including ISO 22301 (Business Continuity Management (BCM)), the Business Continuity Institute (BCI) Good Practice Guidelines and BCM expertise to inform our view, we have reviewed and assessed the current design of the Council's BCM programme to protect critical services against disruption. This review has been given a Limited Assurance rating, which is reflective of the status of BCM

arrangements in place and recognising that further development is now needed to minimise the risk and become embedded over the longer term. Historically, we understand that the Council's resource dedicated to the management of BCM was very lean and the team has had challenges in recruiting (both to the team and an individual with relevant expertise) and therefore the Council had limited capacity to focus on specific BCM requirements. A BCM team member was appointed to conduct a gap analysis of the BCM programme in March 2022.; however, the team member departed the Council prior to the actions being implemented and due to the lack of BCM expertise and resources available the actions arising from the gap analysis were not implemented.

Management is aware of gaps in capabilities and are actively recruiting a dedicated BCM individual with relevant expertise to develop and enhance the capability for a relaunch. Crucially, the Council needs to put mechanisms in place to determine its BCM approach, identify its most critical services for protection, update its governance arrangements, and refresh and update its policy and BCM framework, including development of key guidance and tools surrounding the development of the BIA and plans.

This audit has identified three high and two medium risk findings. We identified the following issues as part of the audit:

- **BCM Programme Design (High risk) –** Several BCM governance, programme and process issues were noted through this review:

  - The BCM Policy and Strategy were last reviewed and updated in 2019 and have not been formally approved and communicated across the Council.

  - There is no updated defined risk strategy surrounding the Council's approach to BCM and its critical activities or functions.

  - Although there is a designated executive sponsor who is accountable for BCM with defined roles and responsibilities is in place, this is not formally documented in any relevant documentation; an oversight committee and defined measurable deliverables of the BCM programme including the agreed methods, frequency, and review of all stages of the BCM lifecycle.

  - While existing BCM personnel have experience and skills in Emergency planning that can be utilised in BCM, the Council does not have sufficiently experienced and qualified BCM expertise to provide guidance on a sequential BCM planning process and key planning tools, including Policy, Business Impact Analysis, BCPs and exercising, which provides insight on the underlying cause of planning gaps.

- **Business Impact Analysis (BIA) and Integration with other business processes (High risk) –** An initial BIA exercise has not taken place to identify and document the Council's business continuity priorities. For 3 of 3 (100%) Service level BIAs reviewed, Recovery Time Objectives (RTO) and priority activities are not well defined and appropriate, and RTOs have not been verified with dependencies and interdependencies to ensure that they align and are achievable. There is no defined criticality matrix in place that sets out a standardised and consistent measure or definition for prioritised activities.

  In addition, it was noted that BCM is not yet fully embedded into business-as-usual activities with clear links with procurement, emergency planning and IT disaster recovery plans. There is no planned approach in place to ensure the continuity of critical suppliers and the Council may be unaware of critical suppliers that could potentially impact the business operations in the event of a disruption, for example, a liquidation or collapse. The process of invoking BCM plans has not been defined.

- **Business Continuity Plans (BCPs) (High risk) –** The Corporate Level BCP has not been updated since 2019. 3 out of 3 (100%) BCM plans reviewed did not include an outline or step-by-step instruction (including the work arounds on the recovery of priority services within acceptable time frames) to be able to aid those that may be unfamiliar with the process in the event of the loss of priority staff. There is no central repository for BCPs, and one plan was not available due to access constraints during the fieldwork.

- **Exercising and Learning Lessons (Medium risk) –** The Council does not currently have a BCM exercising strategy including a schedule for planned exercises that is aligned to good practice. An exercise strategy would outline the requirements for exercising plans based on the criticality, and complexity.

- **Training and Awareness (Medium risk) –** There is no training and awareness programme in place for BCM leads, BCP authors and staff across the Council.

Appropriate actions have been agreed and these will be followed up by Internal Audit. The first follow-up visit will take place in Q1 of 2024/25.

## 3.0 Progress against plan

The table below represents a summary of the work that we have completed during the period 1st October 2023 to 31st December 2023 or that is currently underway.

| Stage | Name of review | Report classification | Total findings | Critical | High | Medium | Low | Advisory |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Ratings | | |
| **Q3 – 1 October – 31 December 2023** | | | | | | | | |
| | | | | | | | | |
| Complete | Business Continuity | Limited | 5 | - | 3 | 2 | - | - |
| Complete | Payroll | Reasonable | 7 | - | - | 3 | 4 | - |
| Complete | Our Lady of Lourdes School | Reasonable | 6 | - | 1 | 2 | 3 | - |
| Complete | Beit Shvidler School | Reasonable | 6 | - | - | 4 | 2 | - |
| Complete | St Johns CE School N20 | Reasonable | 6 | - | - | 3 | 3 | - |
| Complete | Northside School | Reasonable | 6 | - | - | 3 | 3 | - |
| Complete | Christ Church CE School | Reasonable | 5 | - | - | 2 | 3 | - |
| Complete | Garden Suburb Infant School | Reasonable | 3 | - | - | 2 | 1 | - |
| Complete | Social Care Reform - CQC Inspection Preparedness | N/A | - | - | - | - | - | - |
| Complete | Disabled Facilities Grant Certification | N/A | - | - | - | - | - | - |
| Complete | Dedicated Schools Grant - Advisory | N/A | - | - | - | - | - | - |

| Status | Audit | Assurance | Col1 | Col2 | Col3 | Col4 | Col5 | Col6 |
|---|---|---|---|---|---|---|---|---|
| Complete | Bus Subsidy Grant | N/A | - | - | - | - | - | - |
| Complete | Supporting Families Programme – Payment by Results Q2 | N/A | - | - | - | - | - | - |
| Complete | Supporting Families Programme – Payment by Results Q3 | N/A | - | - | - | - | - | - |
| Complete | Prospect Ring - Advisory | N/A | - | - | - | - | - | - |
| Complete | Salix – Public Sector Decarbonisation Scheme – Independent Review | N/A | - | - | - | - | - | - |
| Complete | Solutions for Health - Contract Review – Added to Plan | N/A | - | - | - | - | - | - |
| Complete | Sustainability: Electric Vehicle Grants | N/A | - | - | - | - | - | - |
| Complete | Integra & HR Core Replacements (Oracle) – Advisory | N/A | 3 | - | - | 3 | - | - |
| Total findings in Q3 | | | 47 | - | 4 | 24 | 19 | - |
| Draft Report | Disabled Facilities Grant - Risk Based Audit of Processes | TBC | - | - | - | - | - | - |
| Draft Report | Care Homes | TBC | - | - | - | - | - | - |
| Draft Report | EDI Action Plan Delivery | TBC | - | - | - | - | - | - |
| Draft Report | Client Affairs | TBC | - | - | - | - | - | - |
| Draft Report | Salix – Public Sector Decarbonisation Scheme – Lessons Learnt | TBC | - | - | - | - | - | - |
| Draft Report | Fairway School | TBC | - | - | - | - | - | - |
| Draft Report | Menorah Primary School | TBC | - | - | - | - | - | - |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Fieldwork | Parking Contract Monitoring | TBC | - | - | - | - | - | - |
| Fieldwork | Schools Estates Project - Advisory | TBC | - | - | - | - | - | - |
| Fieldwork | Mandatory Training | TBC | - | - | - | - | - | - |
| Fieldwork | Direct Payments (18 – 25) | TBC | - | - | - | - | - | - |
| Fieldwork | Cyber Security – Third Party Security and awareness – Follow-up | TBC | - | - | - | - | - | - |
| Fieldwork | Purchase Card Policy Compliance | TBC | - | - | - | - | - | - |
| Fieldwork | Children's Direct Payments | TBC | - | - | - | - | - | - |
| Fieldwork | Records Retention and Destruction | TBC | - | - | - | - | - | - |
| Fieldwork | Housing Benefits | TBC | - | - | - | - | - | - |
| Fieldwork | Performance Management - Monitoring Delivery of Our Plan for Barnet | TBC | - | - | - | - | - | - |
| Planning | Community Safety | TBC | - | - | - | - | - | - |
| Planning | DLUHC Covid Champions Grant (Completion of Phase 2) | TBC | - | - | - | - | - | - |
| Planning | Private Sector Landlords - Licensing of HMOs | TBC | - | - | - | - | - | - |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Planning | Treasury Management | TBC | - | - | - | - | - | - |
| Planning | Procurement | TBC | - | - | - | - | - | - |
| Planning | Temporary Accommodation | TBC | - | - | - | - | - | - |
| Planning | Transformation Programme – Review of Sample of Projects/Workstreams | TBC | - | - | - | - | - | - |
| Planning | Risk Management | TBC | - | - | - | - | - | - |
| Planning | Capital Programme – Business Cases / Benefits | TBC | - | - | - | - | - | - |
| Planning | Oracle Readiness Review – ADDED TO PLAN | TBC | - | - | - | - | - | - |
| **Changes to published plan** | | | | | | | | |
| Added to Plan | Solutions for Health - Contract Review – Added to Plan | At request of Family Services and Public Health | | | | | | |
| Added to Plan | Oracle Readiness Review | At request of Oracle Programme Steering Board | | | | | | |
| Deferred | Sustainability Strategy | Deferred as other review being undertaken to prioritise Barnet Zero work actions. | | | | | | |
| Deferred | Budget Forecasting & Finance Business Partnering | Deferred due to MTFS work taking priority for Finance team. Assurance taken from work at Financial Sustainability Board, Cabinet and Scrutiny. Review to be undertaken once Oracle has been introduced. | | | | | | |

| Deferred | Brent Cross | Deferred to early 2024/25 due to recent completion of audit of compliance with Grant Conditions. |
|---|---|---|
| Deferred | Data Maturity follow-up | To be reconsidered as part of 2024/25 planning alongside other digital developments. |
| Cancelled | Schools Capital Programme | Cancelled as audited at end of 2022/23 |
| Cancelled | Finance & HR - support provided to schools | Cancelled as separate Advisory review completed of Dedicated Schools Grant |

# *Appendices*

## Appendix 1: Key performance indicators (KPIs)

**Overall KPI summary**



- KPI 1
- KPI 2
- KPI 3
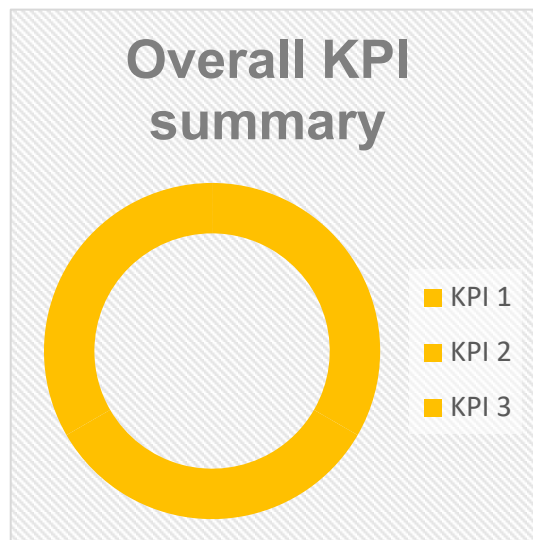
**KEY:**

| | |
|---|---|
| **Fully Achieved** | (green) |
| **Partially Achieved** | (amber) |
| **Not Achieved** | (red) |
| **N/A** | (grey) |

| KPI | Target | Results | Comment |
|---|---|---|---|
| 1. **% of Plan delivered** | Q3 to end of December<br><br>75% | 70% | Work in progress is incorporated as follows:<br><br>**Not Started** 0%<br>**Planning** 20%<br>**Fieldwork** 50%<br>**Draft Report** 90%<br>**Complete** 100%<br><br>Applying these %s to work in progress shows that we have delivered 70% of our plan for the year against a Q3 target to end of December of 75%.<br><br>**Up to 49% = Not Achieved**<br>**50-74% = Partially Achieved**<br>**75% = Fully Achieved** |
| 2. **Verification that at least 90% of Critical and High Risks have been mitigated by management at the time of follow up** | 90% | 67% | **0-49% = Not Achieved**<br>**50-89% = Partially Achieved**<br>**90% = Fully Achieved** |
| 3. **Average customer satisfaction score for year to meet or exceed acceptable level for at least 85% of completed surveys** | 85% | 60% | **0-49% = Not Achieved**<br>**50-84% = Partially Achieved**<br>**85% = Fully Achieved**<br><br>**Q3: 5 surveys completed**<br>2 Excellent<br>1 Good<br>2 Adequate |

# Assurance Ratings



- Substantial
- Reasonable
- Limited
- No
- Partially Implemented
- N/A
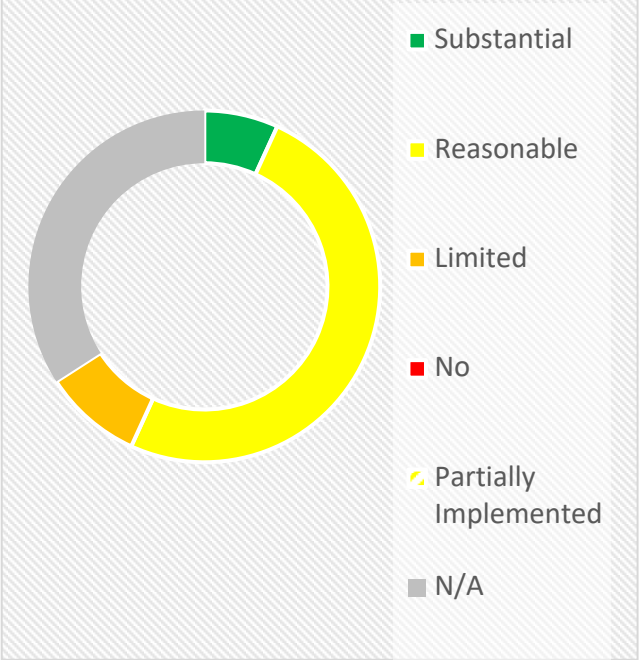
| 4. % of reports year to date achieving: | | |
|---|---|---|
| •Substantial | | 7% |
| •Reasonable | | 50% |
| •Limited | N/A | 9% |
| •No Assurance | | 0% |
| •Partially Implemented | | 0% |
| •Implemented | | 0% |
| •N/A | | 34% |

| CEO Direct Reports | Name of Audit | Date of audit | Findings Number | Finding (subheading only) | Agreed Action: | Summary for Committee report | Level of Risk | Responsible Officer | Original Due Date | Current due date | Number of Slippages | Status |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cross cutting | Starters, Leavers and Movers (SLaM) | 29/09/2023 | 1b | Removal of user accounts from applications in a timely manner | Where issues are flagged (from action a), we will take appropriate action, whether through training via feedback/ management action to address this. | Not Implemented<br>The implementation of this action 1b, is dependent on implementation of 1a.<br><br>At the date of this report, we had not been given evidence that line managers who had not used SLAM forms for their leavers/movers had been communicated to HR by Council IT in terms of Action 1a. This necessarily meant that HR could not undertake learning or other action as required by Action 1b to bring about cultural change necessary to ensure that line managers use the SLAM forms consistently when their staff move and leave, in this case to ensure that those staff are deactivated in the relevant system (MOSAIC, ContrOCC, Integra (Oracle) and M365) at the earliest stage, i.e. at the time they leave/move.<br>Revised due date: 15 January 2024 | High | Strategic Recruitment Manager - Strategy and Resources | 31/12/2023 | 15/01/2024 | 1 | Not Completed |
| Cross cutting | Starters, Leavers and Movers (SLaM) | 29/09/2023 | 1a | Removal of user accounts from applications in a timely manner | We will obtain evidence that the periodic user access review exercise has been completed by relevant application owners (every three months for ContrOCC & Mosaic and monthly for Integra (Oracle) & Office 365) as well as a listing of all line managers/ teams who have been identified as not having followed the process following the review exercise. The IT System administrators will share these outcomes with HR and application owners. | Partly Implemented<br>At the date of this follow-up report, we had been given evidence of Council IT oversight of the M365 (Office 365) periodic (monthly) user access management reviews by CSG IT, de-activating inactive leaver/mover accounts that had not been accessed for 30 days. However, we had not been given evidence of Council IT requesting evidence of periodic MOSAIC, ContrOCC and Integra user access management reviews (quarterly/monthly) by those application owners in the relevant Service (Adults/Children and Finance). Action 1a is therefore regarded as Partly Implemented by virtue of Council IT oversight of M365 user access reviews by CSG IT.<br>Revised due date: 15 January 2024 | High | Assistant Director, Resident Experience & Digital | 31/12/2023 | 15/01/2024 | 1 | Partly completed |
| Cross cutting | Starters, Leavers and Movers (SLaM) | 29/09/2023 | 1c | Removal of user accounts from applications in a timely manner | We will embed and communicate the new Oracle procedure documents to all senior managers involved in the SLaM process to ensure they are being applied consistently across all the applications (see finding 2). | In progress - original due date revised in line with Oracle go-live<br><br>The use of SLAM forms by the Business/Service will not continue after 1/4/2024, Oracle go-live. Instead Service/Business line managers, as part of the starter/leaver/mover journey, will need to notify system application owners (MOSAIC, ContrOCC, Oracle, Office365) about starters/leavers/movers who use those applications (so for leavers/movers, so that system owners disable those user accounts in those systems).<br><br>This starter/leaver/mover process will be included as part of the development of the HCM TOM (Target Operating Model) in preparation for Oracle go-live, 1/4/2024. The new leaver journey process/checklist in its current form was provided to us for review by the HR Analyst and covered line manager reminders/notifications to disable network, Oracle and MOSAIC access for leavers reporting to them. The responsible officer confirmed that additional tasks would be added to the leaver journey as necessary, for example for updating SDOL the system for managing P-Cards and ContrOCC, the Family Services Finance system. The responsible officer also provided details of the mover journey checklist/process which reminded line managers to notify system owners of movers so as to disable MOSAIC and Integra user access.<br><br>The development of the starter/leaver/mover journey process post Oracle go-live, 1/4/2024, is in progress.<br><br>Revised due date:<br>1 March 2024 or as defined by the Oracle Programme. | High | Strategic Recruitment Manager - Strategy and Resources | 31/12/2023 | 01/03/2024 | 1 | Partly completed |
| Executive Director Children & Young People | Bell Lane School | 07/02/2023 | 1a | Purchasing | The school will ensure that a purchase order is raised for all relevant goods and services, and this is approved by an authorised signatory. This expenditure will be recorded as a commitment to the school in a manner which allows the amount of committed expenditure to be accurately calculated at any time. An audit trail will be available which allows an item to be traced through from ordering through to payment of the invoice. | Partly Implemented<br>New member of office staff started in October 2023. Follow up visit 20 November 2023; we were not yet able to see the new system was fully operational although office staff were preparing purchase orders. A further follow-up visit has been arranged for 4 March to check that systems have been working well for 3 months.<br>Revised due date: 28 February 2024 | High | Headteacher/School Business Manager/Office staff/Finance assistant/Governors | 30/06/2023 | 28/02/2024 | 2 | Partly completed |
| Executive Director Children & Young People | Bell Lane School | 07/02/2023 | 1b | Purchasing | The school business manager and finance assistant/office staff will clearly initial on the purchase order form or the invoice that the invoice has been checked for accuracy of quantity, price and calculation against the original order. | Partly Implemented<br>New member of office staff started in October 2023. Follow up visit 20 November 2023; we were not able to see the system where number of school meals taken in school was recorded to check the invoice for school meals paid by the school. A further follow-up visit has been arranged for 4 March to check that systems have been working well for 3 months.<br>Revised due date: 28 February 2024 | High | Headteacher/School Business Manager/Office staff/Finance assistant/Governors | 30/06/2023 | 28/02/2024 | 2 | Partly completed |
| Executive Director Children & Young People | Bell Lane School | 07/02/2023 | 1c | Purchasing | All goods will be checked against a delivery note, for quality and quantity. The check will be recorded (signed for) on the delivery note. | Partly Implemented<br>New member of office staff started in October 2023. Follow up visit 20 November 2023; we were not yet able to see the new system was fully operational although office staff were preparing purchase orders. Purchase orders were not printed and filed with attached delivery note for review. A further follow-up visit has been arranged for 4 March to check that systems have been working well for 3 months.<br>Revised due date: 28 February 2024 | High | Headteacher/School Business Manager/Office staff/Finance assistant/Governors | 30/06/2023 | 28/02/2024 | 2 | Partly completed |

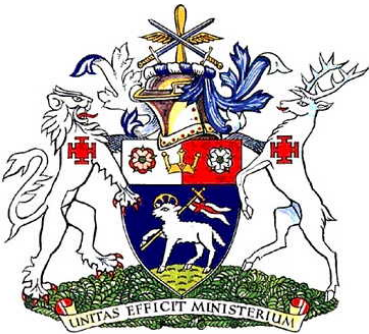| Directorate | Audit | Date | Ref | Category | Recommendation | Update | Priority | Responsible Officer | Original Due | Revised Due | Score | Status |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Executive Director Children & Young People | Bell Lane School | 07/02/2023 | 1d | Purchasing | The school will approve a credit card policy and use of the school credit card to ensure that all purchases are reviewed and executed in accordance with requirements as approved within the School's Finance Policy, ensuring at all times that a separation of duties exists between purchase order request, purchase order approval and online payment by credit card, sufficient budget is available, a record is kept of delivery to the school and that approved purchase orders and signed invoices are retained for each purchase for independent review and scrutiny where necessary. | Partly Implemented<br>School had applied for a credit card as the Executive Headteacher had been using his personal credit card for school expenses and reclaiming the expense. Natwest bank had not yet approved the credit card in the name of the acting headteacher seconded from Broadfields school at follow up visit 20 Nov 2023. A further follow-up visit has been arranged for 4 March.<br>Revised due date: 28 February 2024 | High | Headteacher/School Business Manager/Office staff/Finance assistant/Governors | 30/06/2023 | 28/02/2024 | 2 | Partly completed |
| Deputy Chief Executive | Building Control | 30/05/2023 | 1b | Monitoring of operational compliance | We will report the outcomes of these monitoring arrangements to senior officers regularly (e.g., quarterly), so that we remain compliant with the Building Safety Act, and relevant officers have oversight over operations/ activities of the Service. | Partly Implemented<br>New staff member started on the 4 December and will work across Building control, Planning, Strategic Planning and Street Scene. The new KPI arrangements (and associated reporting) will be introduced April 2024. Therefore, we will review the outcome of new monitoring and reporting arrangements for Q1 in order to be able to report this as complete in Q2 2024/25.<br>Revised due date: 31 July 2024 | High | Building Control Manager | 31/07/2023 | 31/07/2024 | 2 | Partly completed |
| Executive Director Children & Young People | Pardes House Primary School | 12/06/2023 | 1 | Financial Planning | The school will comply with the scheme for financing schools section 4 (The treatment of surplus and deficit balances arising in relation to budget shares). The school will continue to work towards an agreed recovery plan and submit tracking evidence of recovery plans to the local authority as requested. | Partly Implemented<br>Documents received from the school business manager with school financial position at 30 September 2023.<br>The Governors had a finance meeting on 20 December at which it was agreed to hold a fundraising event in March. The return received from the school business manager showed that the Governors had only paid £20,000 contribution to the LA bank account in the 23/24 financial year from a budgeted donation of £268,000. The bank account is circa £200,000 overdrawn.<br>Revised due date: 31 March 2024 | High | Headteacher/Governors | 30/06/2023 | 31/03/2024 | 2 | Partly completed |
| Executive Director Children & Young People | Pardes House Primary School | 12/06/2023 | 2a | Banking and Petty Cash | The school will arrange for fundraising money to be paid to the main school account or arrange a cash advance of funding from the local authority so that the bank balance is not overdrawn. | Partly Implemented<br>Documents received from the school business manager with school financial position at 30 September 2023.<br>The Governors had a finance meeting on 20 December at which it was agreed to hold a fundraising event in March. The return received from the school business manager showed that the Governors had only paid £20,000 contribution to the LA bank account in the 23/24 financial year from a budgeted donation of £268,000. The bank account is circa £200,000 overdrawn.<br>Revised due date: 31 March 2024 | High | School Business Manager/Headteacher/Governors | 30/06/2023 | 31/03/2024 | 2 | Partly completed |
| Deputy Chief Executive | Contract Management Toolkit compliance | 11/05/2023 | 1a | The Contract Management Toolkit was not completed by all contract managers interviewed | Management will decide on whether the completion of the Contract Management Toolkit by contract managers is to be made mandatory/compulsory. | No further progress - due date extended until 1/5/2024<br><br>The Interim Assistant Director (Commercial and Procurement) indicated that the deadline for a decision as to whether to make completion of the Contract Management Toolkit by contract managers compulsory was still pending subject to full recruitment of the Commercial and Procurement Team by 31/3/2024. This was consistent with our involvement with the Oracle Programme (and related go-live 1/4/2024) which required recruitment to specified Oracle roles within the Procurement area. Procurement resources are currently focussed on non-contract management procurement activity and related Oracle implementation.<br><br>The Interim Assistant Director (Commercial and Procurement) also referred to the acquisition of a procurement portal with a contract management module by 31/3/2024. Contract Managers would be required to use the portal for managing their contracts. An assessment of the Portal against the Contract Management Toolkit would be required as part of portal implementation.<br><br>It is therefore considered reasonable to extend the target date until 1/5/2024, so a month after the Oracle go-live, 1/4/2024 to assess further progress with implementation and a decision on the mandatory provision of evidence of contract management by allocated contract managers, potentially via the planned portal.<br><br>Revised due date: 1 May 2024 | High | Acting Interim Assistant Director (Commercial), Customer and Place<br><br>Senior Business Partner, Commercial (Corporate Procurement) | 01/09/2023 | 01/05/2024 | 2 | Partly completed |
| Deputy Chief Executive | Commercial Rents and Leases Renewal Audit | 12/08/2022 | 2c | Income Collection and Debt Recovery: Bad Debt Write-Off | c) The Head of Property Services and Valuation will liaise with the Accounts Receivable team to obtain the necessary approvals required to write-in the credit notification cases. | Overall, work is in progress and individual cases are being dealt with at the monthly Arrears Review meetings, with both re-payment plans and bailiff action being approved on a case-by-case basis. However, this specific action (around writing in small credit balances) has not yet been taken forward. The values in question at the time of the audit fieldwork in August 2022 were 48 cases of past clients with small credit balances valued in total at £5,192.<br>Revised due date: 30th June 2024 | Medium | Head of Property & Portfolio Management | 30/12/2022 | 30/06/2024 | 3 | Not Completed |
| Deputy Chief Executive | Commercial Rents and Leases Renewal Audit | 12/08/2022 | 6d | Lease and Letting Renewals: Insurance of Property | d) The Property Services and Valuation team will proceed with the project to move to a new system to enable LBB to update and produce accurate information on all its commercial property. | The procurement of a new database system is reaching its final stages, with demonstrations of the two preferred systems having been arranged for early in January.<br>Revised due date: 30th June 2024 | Medium | Head of Property Services and Valuation | 30/12/2022 | 30/06/2024 | 3 | Partly completed |

| Directorate | Service/School | Date | Ref | Area | Recommendation | Status | Priority | Responsible Officer | Date | Revised Date | | RAG | Outcome |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Executive Director of Assurance | Premises, Licensing and Gambling | 30/05/2022 | 3d | Comprehensive Licensing – Data update | d)  PLG management will confirm resourcing for the data cleanse and will consider giving higher priority to it i.e. sooner than within the planned 6 months, to ensure accuracy of the information and the invoicing process. | Partly implemented  Project is underway but has faced difficulties due to competing priorities. The team has managed to whittle down to 637 cases which needed officer inputs from the original 6804 cases that needed cleansing. There are an additional 80 cases that require IDOX support and the team is in discussion to amend this. Revised due date: 31st January 2024 | Medium | Regulatory Services Director | 30/08/2022 | 31/01/2024 | | 5 | Partly completed |
| Executive Director of Assurance | Premises, Licensing and Gambling | 30/05/2022 | 5a | Policies and Procedures – Documentation and Version Control | The Group Manager will ensure that the Gambling process and procedure is updated and approved. | Partly implemented  Team have 20 (low risk) procedures left outstanding out of the orginal 180. This has been delayed due to competing priorities. Revised due date: 31st January 2024 | Medium | Regulatory Services Director | 31/08/2022 | 31/01/2024 | | 5 | Partly completed |
| Executive Director of Assurance | Premises, Licensing and Gambling | 30/05/2022 | 5b | Policies and Procedures – Documentation and Version Control | Management will complete the review of all the procedures and update them accordingly. | Partly implemented  Team have 20 (low risk) procedures left outstanding out of the original 180. This has been delayed due to competing priorities. Revised due date: 31st January 2024 | Medium | Regulatory Services Director | 31/08/2022 | 31/01/2024 | | 5 | Partly completed |
| Executive Director Children & Young People | Coppetts Wood School | 20/04/2022 | 1b | Purchasing | The school will ensure that a purchase order is raised for all relevant goods and services, and this is approved by an authorised signatory.  This expenditure will be recorded as a commitment to the school in a manner which allows the amount of committed expenditure to be accurately calculated at any time.  An audit trail will be available which allows an item to be traced through from ordering through to payment of the invoice.The school business manager and finance assistant will clearly initial on the purchase order form or the invoice that the invoice has been checked for accuracy of quantity, price and calculation against the original order.All goods and services will be checked against a delivery note, for quality and quantity.  The check will be recorded (signed for) on the delivery note. | Implemented | High | Headteacher/School Business Manager/Office and Catering staff/Finance assistant/Governors | 30/06/2022 | 30/10/2023 | | 1 | Completed and confirmed by Audit |
| Executive Director Children & Young People | Coppetts Wood School | 20/04/2022 | 1c | Purchasing | The school will document the procedures for ordering catering supplies, ensuring at all times that a separation of duties exists, between purchase order request, purchase order approval and payment, sufficient budget is available, committed expenditure is recorded, and a record is kept of delivery to the school. | Implemented | High | Headteacher/School Business Manager/Office and Catering staff/Finance assistant/Governors | 30/06/2022 | 30/10/2023 | | 1 | Completed and confirmed by Audit |
| Executive Director Children & Young People | Coppetts Wood School | 20/04/2022 | 1d | Purchasing | The school will approve a credit card policy  and use of the school credit cards to ensure that all purchases are reviewed and executed in accordance with requirements as approved within the School's Finance Policy, ensuring at all times that a separation of duties exists between purchase order request, purchase order approval and online payment by credit card, sufficient budget is available, a record is kept of delivery to the school and that approved purchase orders and signed invoices are retained for each purchase for independent review and scrutiny where necessary. | Implemented | High | Headteacher/School Business Manager/Office and Catering staff/Finance assistant/Governors | 30/06/2022 | 30/10/2023 | | 1 | Completed and confirmed by Audit |
| Executive Director Children & Young People | Coppetts Wood School | 20/04/2022 | 2c | Payroll | Any overpayments to staff or former members of staff will be notified to the Headteacher.  The school will keep a record of overpayments in the payroll file and ensure that amounts overpaid are repaid to the school and correcting entries are recorded in the school accounts. | Implemented | high | Headteacher/School Business Manager/Office and Catering staff/Finance assistant/Governors | 22/07/2022 | 30/10/2023 | | 1 | Completed and confirmed by Audit |
| Executive Director Children & Young People | Coppetts Wood School | 20/04/2022 | 2d | Payroll | All outstanding staff references will be requested and received.  References will be requested at the point of recruitment, and receipt recorded clearly on the single central record. | Implemented | High | Headteacher/School Business Manager/Office and Catering staff/Finance assistant/Governors | 30/06/2022 | 30/10/2023 | | 1 | Completed and confirmed by Audit |
| Executive Director Children & Young People | Menorah Foundation School | 08/03/2023 | 1a | Banking and petty cash | The school will immediately complete a revised Notice of Authorised signatories form for approval by the Governing Body which will be sent to the Local authority. | Implemented | High | School Business Manager/ Headteacher/Governors | 31/03/2023 | 31/10/2023 | | 1 | Completed and confirmed by Audit |
| Executive Director Children & Young People | Menorah Foundation School | 08/03/2023 | 1b | Banking and petty cash | The school will refer to Section 1.2 of the Financial Guide for schools and ensure that sufficient members of staff are included to allow for separation of duties, allow for absences, and ensure that the authorised signatories for cheque signing/BACs authorisation for all bank accounts are reflected on the Bank Mandate. | Implemented | High | School Business Manager/ Headteacher/Governors | 31/03/2023 | 31/10/2023 | | 1 | Completed and confirmed by Audit |
| Executive Director Children & Young People | Menorah Foundation School | 08/03/2023 | 1c | Banking and petty cash | The ability for the school business manager to be the sole authoriser of electronic payments will be removed to embed segregation of duties in payments processes and ensure separate review/challenge and approval of all payments. Section 4 of the Financial Guide for schools gives more guidance on Internal Financial Control. | Implemented | High | School Business Manager/ Headteacher/Governors | 31/03/2023 | 31/10/2023 | | 1 | Completed and confirmed by Audit |
| Executive Director Children & Young People | Menorah Foundation School | 08/03/2023 | 1d | Banking and petty cash | Transferwise will not be used to make any payment of LA funds as this payment method does not allow two people to log on to authorise transactions. | Implemented | High | School Business Manager/ Headteacher/Governors | 31/03/2023 | 31/10/2023 | | 1 | Completed and confirmed by Audit |

| Directorate | Audit | Date | Ref | Area | Recommendation | Status | Priority | Responsible Officer | Original Date | Revised Date | No. | Outcome |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Executive Director Children & Young People | Menorah Foundation School | 08/03/2023 | 1e | Banking and petty cash | The school should allow the payroll provider to take funds from the school bank account by direct debit authority, so that Governors can be sure that payments made to staff for net pay agree to the monthly payroll report that is checked and approved by the headteacher. | Implemented | High | School Business Manager/ Headteacher/Governors | 31/03/2023 | 31/10/2023 | 1 | Completed and confirmed by Audit |
| Executive Director Children & Young People | Menorah Foundation School | 08/03/2023 | 2a | Purchasing | The school will ensure that a clear separation of duties is introduced to ensure that the same officer is not responsible for authorising the purchase order, invoice and cheque/payment for the same purchase. | Implemented | High | School Business Manager/ Headteacher/Governors | 31/03/2023 | 31/10/2023 | 1 | Completed and confirmed by Audit |
| Executive Director Children & Young People | Menorah Foundation School | 08/03/2023 | 2b | Purchasing | The school will ensure that a purchase order is raised for all relevant goods and services and this is approved by an authorised signatory. This expenditure will be recorded as a commitment to the school in a manner which allows the amount of committed expenditure to be accurately calculated to ensure optimal budget monitoring. An audit trail will be available which allows an item to be traced through from ordering through to payment of the invoice. | Implemented | High | School Business Manager/ Headteacher/Governors | 31/03/2023 | 31/10/2023 | 1 | Completed and confirmed by Audit |
| Executive Director Children & Young People | Menorah Foundation School | 08/03/2023 | 2c | Purchasing | The School Business Manager will clearly initial in the rubber stamp grid on the invoice that the invoice has been checked for accuracy of quantity, price and calculation against the original order. Budget codes will be recorded on the stamp. | Implemented | High | School Business Manager/ Headteacher/Governors | 31/03/2023 | 31/10/2023 | 1 | Completed and confirmed by Audit |
| Executive Director Children & Young People | Menorah Foundation School | 08/03/2023 | 2d | Purchasing | All goods and services will be checked against a delivery note, for quality and quantity. The check will be recorded (signed for) on the delivery note. Where an invoice is paid by direct debit, the invoice will be signed to show that the amount charged agrees to signed contract held in school. | Implemented | High | School Business Manager/ Headteacher/Governors | 31/03/2023 | 31/10/2023 | 1 | Completed and confirmed by Audit |
| Executive Director Children & Young People | Menorah Foundation School | 08/03/2023 | 2e | Purchasing | Payments made to individuals for services will only be made through the payroll provider. | Implemented | High | School Business Manager/ Headteacher/Governors | 31/03/2023 | 31/10/2023 | 1 | Completed and confirmed by Audit |
| Executive Director Children & Young People | Menorah Foundation School | 08/03/2023 | 2f | Purchasing | The school will approve a debit card policy and use of the school debit card to ensure that all purchases are reviewed and executed in accordance with requirements as approved within the School's Financial Management and Procedures Policy, ensuring at all times that a separation of duties exists between purchase order request, purchase order approval and online payment by debit card, sufficient budget is available, a record is kept of delivery to the school and that approved purchase orders and debit card authorisation forms are retained for each purchase for independent review and scrutiny where necessary. | Implemented | High | School Business Manager/ Headteacher/Governors | 31/03/2023 | 31/10/2023 | 1 | Completed and confirmed by Audit |
| Executive Director Children & Young People | Bell Lane School | 07/02/2023 | 1e | Purchasing | The school will notify the credit card provider that the member of staff named on the school card has left the school and make no further purchases on this card. | Implemented | High | Headteacher/School Business Manager/Office staff/Finance assistant/Governors | 30/06/2023 | 31/10/2023 | 1 | Completed and confirmed by Audit |
| Cross cutting | Recruitment: Pre-employment checks | 16/03/2023 | 2b | DBS renewals process and ownership | We will create a listing of all DBS certificates currently active along with the status of these DBS certificates held and their expiry dates. This listing will be reviewed monthly by the Council to oversee and monitor the renewal process and status of DBS certificates. | Implemented | High | Capita HR | 31/05/2023 | 15/12/2023 | 2 | Completed and confirmed by Audit |
| Deputy Chief Executive | Building Control | 30/05/2023 | 1a | Monitoring of operational compliance | In light of the changes required by the Building Safety Act, we will revise the monitoring arrangements that need to be reported to senior officers within the Council in relation to Building Control operations/ activities | Implemented | High | Building Control Manager | 31/07/2023 | 30/11/2023 | 1 | Completed and confirmed by Audit |
| Deputy Chief Executive | Building Control | 30/05/2023 | 1c | Monitoring of operational compliance | We will prepare for the Building Safety Regulator's annual audit by performing more regular (e.g., monthly) spot checks on a sample of applications and inspections and conduct bi-annual audits on a larger (e.g., 25) sample of applications and inspections based on the population. The basis of the sample selection should be documented and retained for audit purposes and the outcomes reported at the Council's equivalent of the Performance Management Board meetings (now that the service has transferred to the Council from Re) for better oversight and monitoring | Implemented | High | Building Control Manager | 31/07/2023 | 30/11/2023 | 1 | Completed and confirmed by Audit |
| Executive Director Children & Young People | Pardes House Primary School | 12/06/2023 | 2b | Banking and Petty Cash | The school will correct errors on the central school bank account reconciliation and school bank account without delay. Monthly reports will be presented to the Headteacher for authorisation. These will include detailed reports to explain the amounts due to the local authority for salaries recorded in this account. All reports will be signed to evidence his review | Implemented | High | School Business Manager /Headteacher/Governors | 30/06/2023 | 30/11/2023 | 1 | Completed and confirmed by Audit |
| Deputy Chief Executive | Contract Management Toolkit compliance | 11/05/2023 | 1b | Evidence of performance monitoring, the main component of the Contract Management Toolkit, was not evident for all contracts reviewed | Contract Managers will provide the missing information as requested in Appendix 5 (for the allocation of a contract manager, the provision of the contracts and the provision of evidence of performance monitoring for relevant contracts, where stated in Appendix 5) | Implemented | High | Contract managers as stated in Appendix 5, where applicable | 01/09/2023 | 11/10/2023 | 1 | Completed and confirmed by Audit |

| Director of Finance (S151) | Staff Conduct Standards Compliance | 27/01/2023 | 3c | Training and development (Nolan Principles of Public Life and Barnet Corporate Induction event) | The Council's Code of Conduct should be referenced / included in mandatory training to ensure that all staff are aware of its requirements | Implemented | Medium | Strategic Leadership and Talent Partner | 01/04/2023 | 15/12/2023 | 2 | Completed and confirmed by Audit |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Executive Director of Assurance | Staff Conduct Standards Compliance | 27/01/2023 | 4a | Code of conduct - Hospitality, gifts and sponsorship declaration form | The Code of Conduct requirement for declaring gifts, hospitality and sponsorships offered and the related process will be reported in the quarterly Governance Newsletter. Further initiatives, for example as part of presentations to remind Council staff of their responsibilities to declare and report gifts, hospitality and sponsorships will be investigated and implemented, for example, potentially: - development of a declaration of hospitality gifts and sponsorship webform, easily accessible on the Council's intranet - updating gifts and hospitality arrangements in Code of Conduct, including clarification of the form to be used/completed - including references to gift and hospitality arrangements in the Barnet Corporate Induction and/or Management induction training | Implemented | Medium | Head of Governance | 01/04/2023 | 15/12/2023 | 2 | Completed and confirmed by Audit |

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# Governance, Audit, Risk Management and Standards (GARMS) Committee

| | |
|---|---|
| **Title** | Grant Certification Report |
| **Date of Meeting** | 18 January 2024 |
| **Report of** | Executive Director of Strategy and Resources |
| **Wards** | All |
| **Status** | Public |
| **Urgent** | No |
| **Appendices** | Appendix A – Housing Benefit Subsidy Claim certification 2021/22 |
| **Officer Contact Details** | Anisa Darr – Executive Director of Strategy and Resources<br>Anisa.Darr@Barnet.gov.uk<br>020 8359 7634<br><br>Mohammed Ahmed – Chief Accountant<br>Mohammed.Ahmed@Barnet.gov.uk<br>020 8359 7129 |

## Summary

The purpose of the report is to update on the progress of the external auditors work in respect of the certification of grants.

BDO LLP (the council's external auditors) undertake the certification of both the Capital Receipts Pooling Return and the certification of the Teachers' Pension Fund Return.

The council has engaged KPMG LLP to complete the certification of the Housing Benefit Subsidy Claim.

**Capital Receipts Pooling Return**

The 2020/21 audit of this grant claim was completed, and an update given in the June 2022 Committee.

BDO have been engaged to audit the 2021/22 and 2022/23 returns. Work on these commenced in December 2023 and is expected to conclude in early 2024.

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**Housing Benefit Subsidy**

The council engaged KPMG LLP to complete the 2021/22 certification of the Housing Benefit Subsidy Claim. The value of the claim for 2020/21 was £189.2m. The audit found that the council's processes for administering benefits and preparing the subsidy return are generally sound.

Two exceptions totalling £54 were identified within Non-HRA Rent Rebates initial testing, resulting in a further 40 random additional samples being tested. The additional samples identified no errors.

An observation which does not affect the subsidy was noticed under Local Housing Allowances (LHA), showing an understatement by £1,001 (0.0005% of the total claim).

KPMG LLP have also been engaged for 2022/23 which is expected to conclude in 2024.

**Teachers' pension fund return certification.**

S151 certification for the 2020/21 Teacher's Pension Scheme was completed in November 2022 and awaiting BDO certification. The plan for 2021/22 and 2022/23 certification to be included in future updates from BDO on the main audit plan for the respective years.

## Recommendations

1. **That the Committee note the completion of the certification of the Housing Benefit Subsidy for 2021/22.**
2. **That the Committee note the progress on the 2021/22 & 2022/23 Capital Pooling Return, 2022/23 Housing Benefit Subsidy certification, and 2020/21 Teachers' Pensions Audit.**

## 1. Reasons for the Recommendations

1.1 Public Sector Audit Appointments (PSAA), who have been appointed by the Secretary of State to administer the national auditor appointment scheme, has a statutory duty to make arrangements for certification by the appointed auditor of the annual housing benefit subsidy claim. Government departments also require external assurance on two other grant claims and returns – the pooling of capital receipts return and the teachers' pensions return.

1.2 In order that the Council can consider the external auditor's certification report, be able to comment on the scope and depth of external audit work and to ensure it gives value for money.

## 2. Alternative Options Considered and Not Recommended

2.1 None in the context of this report.

## 3. Post Decision Implementation

3.1 None in the context of this report.

## 4. Corporate Priorities, Performance and Other Considerations

**Corporate Plan**

4.1 This supports the council's corporate priorities as expressed through Our Plan for Barnet which sets out our vision and strategy for the borough. This includes the outcomes we want to achieve for the borough, the priorities we will focus limited resources on and, our approach for how we will deliver this.

**Corporate Performance / Outcome Measures**

4.2 The Grant Claims and Returns Certification Work Report addresses fundamental aspects of the Council's management arrangements which support the Council's corporate priorities.

4.3 The grants submission process is the final stage in the process for receiving external funds from third parties. If there are weaknesses in the systems for monitoring and claiming monies, these funds could potentially be at risk.

**Sustainability**

4.4 None in the context of this report.

**Corporate Parenting**

4.5 None in the context of this report.

**Risk Management**

4.6 The Grants Certification Work Report summarises BDO's overall assessment of the Council's management arrangements in respect of the certification process of grant claims, however it also draws attention to significant matters in relation to individual claims. Failure to address these matters can place at risk the receipt of external funding that the Council is entitled to and has budgeted for.

**Insight**

4.7 None in the context of this report.

**Social Value**

4.8 None in the context of this report.

| 5. | **Resource Implications (Finance and Value for Money, Procurement, Staffing, IT and Property)** |
|---|---|

5.1 The estimated fee for the 2020/21 certification Teachers' pension fund return is £5,000, final amount to be confirmed once the work has been completed.

5.2 The estimated fee to KPMG Ltd for the Housing Benefit Subsidy Audit 2022/23 is £20,950 final amount to be confirmed once the work has been completed.

5.3 The fee to BDO for the Capital Pooling Receipts return 2021/22 and 2022/23 are £4,800 for each year.

| 6. | **Legal Implications and Constitution References** |
|---|---|

6.1 Under the Council's Constitution Part 2B, 2.2 the Governance, Audit, Risk Management and Standards Committee is a key component of Barnet Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

6.2 Under the Council's Constitution Part 2B, 2.3 the purpose of the committee is to provide independent assurance to the members of the adequacy of Barnet Council's governance, risk management and control frameworks and oversees the financial reporting and annual

governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

| 7. | Consultation |
|---|---|
| 7.1 | None in the context of this report. |

| 8. | Equalities and Diversity |
|---|---|
| 8.1 | The Grants Certification Work Report covers the arrangements in place for securing grants across services within the Authority to enable the equitable delivery of services to all members of the community, to reduce the differential impact of the services received by all of Barnet's diverse communities and to ensure compliance with the council's duties under the 2010 Equality Act. |

| 9. | Background Papers |
|---|---|
| 9.1 | Audit Committee – June 2022; Item 8 [Audit Committee - Thursday 16th June 2022 7.00 pm](#) |

**KPMG**

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**Private & confidential**
Housing Benefit Subsidy Team
House Delivery Division
DWP Business Finance & Housing Delivery
Directorate
Room B120D
Warbreck House
Blackpool
Lancashire
FY2 0UZ

Contact    Neil Hewitson

Anisa Darr
London Borough of Barnet
2 Bristol Avenue
Colindale
NW9 4EW

23 February 2023

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Dear Sir/Madam

**Agreed-upon Procedures Report to London Borough of Barnet and the Department for Work and Pensions of factual findings in relation to the Housing Benefit Subsidy claim form MPF720A for the year ended 31 March 2022**

**Purpose of this Agreed-upon Procedures Report and Restriction on Use and Distribution**

This report is produced in accordance with the terms of our engagement letter with London Borough of Barnet dated 17 February 2021 and the standardised engagement terms in Appendix 2 of HBAP Module 1 issued by the Department for Work and Pensions (DWP) for the purpose of reporting to the Section 151 Officer of London Borough of Barnet (the "**Local Authority**") and the DWP.

Our report is prepared solely for the confidential use of the Local Authority and the DWP and solely for the purpose of facilitating the claim for Housing Benefit Subsidy on form MPF720A dated 29 April 2022.

This report should not be copied, referred to or disclosed, in whole (save as otherwise permitted by the standardised engagement terms) or in part, without our prior written consent. Without assuming or accepting any responsibility or liability in respect of this report to any party other than the Local Authority and the DWP, we acknowledge that the Local Authority and/or the DWP may be required to disclose this report to parties demonstrating a statutory right to see it.

This report is designed to meet the agreed requirements of the Local Authority and the DWP as described in the DWP HBAP reporting framework instruction 2021/22.

This report should not therefore be regarded as suitable to be used or relied on by any other party for any purpose or in any context. Any party other than the Local Authority and the DWP which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so entirely at its own risk. To the fullest extent permitted by law, we accept no responsibility or liability in respect of our work or this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by the reliance of anyone other than the addressees on our work or this report.

**Local Authority's Responsibilities**

As Section 151 Officer of the Local Authority, you have responsibilities under the Income-related Benefits (Subsidy to Authorities) Order 1998. You are also responsible for ensuring that the Local Authority maintains accounting records which disclose with reasonable accuracy, at any time, the financial position of the Local Authority. It is also the Section 151 Officer's responsibility to extract relevant financial information from the Local Authority's accounting records, obtain relevant information held by any officer of the Local Authority and complete the attached form MPF720A in accordance with the relevant framework set out by the DWP.

The Section 151 Officer of the Local Authority and the DWP have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Section 151 Officer is responsible for the completion of the MPF720A and is the signatory on the Local Authority's certificate on claim form MPF720A.

**Our Responsibilities**

For the purpose of the HBAP engagement we have been provided with a signed copy of form MPF720A 2021/22 dated 29 April 2022 by the Section 151 Officer.

We conducted our engagement in accordance with HBAP Modules 1 and 6 21/22 issued by the DWP, which highlight the terms under which DWP has agreed to engage with reporting accountants.

Our engagement was carried out in accordance with the DWP reporting framework instruction and in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-upon Procedures Engagements* issued by the International Auditing and Assurance Standards Board. The purpose of the engagement is to perform the specific test requirements determined by the DWP on the defined sample basis as set out in HBAP Modules of the HBAP reporting framework instruction on the Local Authority's form MPF720A dated 29 April 2022, and to report the factual findings, which are the factual results of those procedures to the Local Authority and the DWP. We make no representation regarding the appropriateness of the agreed-upon procedures.

The results of the agreed upon procedures are reported on in appendices A, B, C and D.

The procedures specified in DWP's HBAP Reporting framework instruction does not constitute an examination made in accordance with generally accepted auditing standards, the objective of which would be the expression of assurance on the contents of the local authority's claim for Housing Benefit subsidy on form MPF720A. Accordingly, we do not express such assurance. Had we performed additional procedures, or had we performed an audit or review of the local authority's claim for Housing Benefit subsidy on form MPF720A in accordance with generally accepted auditing or review standards, other matters might have come to our attention that would have been reported to you. This report relates only to the Local Authority's form MPF720A and does not extend to any financial statements of the Local Authority, taken as a whole.

**Professional Ethics and Quality Control**

We have complied with the ethical requirements in the ICAEW Code of Ethics issued by the Institute of Chartered Accountants in England and Wales. For the purpose of this engagement, there are no independence requirements with which we are obliged to comply.

We apply International Standard on Quality Control (UK) 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*. Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements and professional standards (including independence, and other requirements founded on fundamental principles of integrity, objectivity,

professional competence and due care, confidentiality and professional behaviour) as well as applicable legal and regulatory requirements.

**Summary of HBAP report**

**Summary of Initial Testing**

In accordance with HBAP modules an initial sample of cases was completed for all general expenditure cells.

■ Cell 011 – Non HRA

Two errors were identified where the incorrect rent was applied resulting in overstatements in Cell 023 and Cell 012. Further detail is included in Appendix A. In line with the requirements of HBAP Modules, we have undertaken additional testing which identified no further errors.

■ Cell 094 – Rent Allowance

No issues identified

■ Cell 055 – Rent Rebates

No issues identified

■ Cell 225 – Modified Schemes

No issues identified

**Completion of Modules**

The Specific Test Requirements set out in Module 1 Appendix 3 have been completed, including testing required by Modules 2 and 5 as detailed below.

**Completion of Module 2**

No issues identified

**Completion of Module 5**

We have completed the questionnaire for the appropriate software supplier and no issues identified.

**Summary of testing arising from Cumulative Assurance Knowledge and Experience**

In line with the requirements of HBAP Modules we have undertaken CAKE testing based upon the preceding HBAP report. Where appropriate the Local Authority has completed testing of the sub-populations for:

■ *Cell 103 Total expenditure in claims administered under LHA rules: incorrect rent and LHA rate*:

A random sample of 40 cases from Cell 103 were tested to ensure rent and the LHA rate had been correctly applied. The additional testing identified one case where Cell 103 (Cell 094) was understated. Where Cell 094 was understated subsidy has

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not been overclaimed and this is therefore not reported as an error for subsidy but has been included as an observation in Appendix B.

The results of the following initial and CAKE tests have returned no errors and are considered as closed:

- *Cell 028 Eligible Overpayments (Non-HRA Rent Rebates): Expenditure classification: classification of eligible overpayment*

- *Cell 55: Total expenditure Rent Rebates (Tenants of HRA Properties): incorrect application of childcare disregards.*

For the form MPF720A dated 29 April 2022 for the year ended 31 March 2022 we have completed the specific test requirements detailed in the DWP reporting framework instruction HBAP and have identified the results set out in Appendices A, B, C and D.

| | |
|---|---|
| Firm of accountants | KPMG LLP |
| Office | 15 Canada Square, Canary Wharf, London, E14 5GL |
| Contact details | Neil Hewitson, Director, +44 7810 404843, neil.hewitson@kpmg.co.uk |
| Signature | |
| Date | 23 February 2023 |

Yours faithfully

**KPMG LLP**

*Chartered Accountants*

Name for enquiries: Neil Hewitson

Attachments:

Appendix A:   Exceptions/errors found
Appendix B:   Observations
Appendix C:   Amendments
Appendix D:   Other matters

## Appendix A – Exceptions/errors found
## Cell 011: Non HRA Expenditure

**Cell Total: £18,356,301**

**Cell Population: 1952**

**Headline Cell: £18,356,301**

**Incorrect rent**

Two exceptions were identified in the initial testing because of the incorrect rent being applied. The impact of the error was to overstate Cell 023 by £4 and Cell 012 by £51 and to understate Cell 026 by £54. There is no impact on Cell 011. A random sample of 40 cases from Cell 011 were tested to ensure rent had been correctly applied.

The additional testing identified no further errors.

**Overpaid benefit:**

| Sample: | Movement / brief note of error: | Cell total: | Sample error: | Sample value: | Percentage error rate: | Cell adjustment: | Revised cell total if cell adjustment applied: |
|---|---|---|---|---|---|---|---|
| | | [CT] | [SE] | [SV] | [SE/SV] | [SE/SV times CT] | [RA] |
| Initial sample: 20 cases | Cell 011: Incorrect rent applied | £18,356,301 | £55 | £229,996 | 0.024% | £4,390 | See combined sample |
| Additional sample: 40 cases | No further errors to note | £18,356,301 | £0 | £377,454 | 0% | £0 | See combined sample |
| **Combined sample: 60 cases** | **Incorrect rent applied** | **£18,356,301** | **£55** | **£607,450** | **0.01%** | **£1,662** | **£18,354,639** |
| Adjustment | Combined sample. Cell 023 and Cell 012 is overstated | | | | | **(£1,662)** | |
| Total corresponding adjustment | Cell 026 is understated | | | | | **£1,662** | |

**Appendix B – Observations**

**Cell 103: Total expenditure in claims administered under LHA rules**

**Cell Total: £100,702,846**

**Cell Population: 8702**

**Headline Cell: £156,089,661**

**Incorrect rent and LHA rate**

No exceptions were identified in the initial testing related to the rent and LHA rate applied for cases contained within Cell 094. Due to an error reported in the prior year HBAP report, a random sample of 40 cases from Cell 103 were tested to ensure rent and the LHA rate had been correctly applied. The additional testing identified one case where Cell 103 (Cell 094) was understated by £1001.

As there is no eligibility to subsidy for benefit which has not been paid, the one underpaid case identified does not affect subsidy and has not, therefore, been classified as an error for subsidy extrapolation purposes.

**HBAP Module 1 – Test 9**

We have been unable to obtain prime documentation showing that the Authority's local modified discretionary scheme has been agreed by full council, owing to significant time lapse since this scheme was originally approved. However, in accordance with the guidance on page 597 of the HBAP 2021-22 Helpfile, the s151 officer at the Authority has provided a signed representation from the s151 officer saying that the policy is available to council members and previously has been approved

**Appendix C – Amendments**

There are no amendments to report.

**Appendix D – Other Matters**

There are no other matters to report.

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| **Title** | Status of the 2020/21 Audit and Plans for 2021/22 and 2022/23 Audit Delivery |
| **Date of meeting** | 18 January 2024 |
| **Report of** | Executive Director of Strategy and Resources |
| **Wards** | All |
| **Status** | Public |
| **Urgent** | No |
| **Appendices** | No |
| **Officer Contact Details** | Anisa Darr – Executive Director of Strategy and Resources<br>Anisa.Darr@Barnet.gov.uk<br>020 8359 7634<br><br>Mohammed Ahmed – Chief Accountant<br>Mohammed.Ahmed@Barnet.gov.uk<br>020 8359 7129 |

# Governance, Audit, Risk Management and Standards (GARMS) Committee

## Summary

**2020/21 External Audit**

The external audit of the Council's Statement of Account is undertaken by BDO.

BDO were presented with the draft financial statements (including the Pension Fund accounts) on 30th. July 2021 and the draft accounts were published by the end of July 2021 in line with the Accounts and Audit Regulations 2015.

The 2015 Regulations require that the final approved accounts are published no later than 30th. September of the financial year immediately following the end of the financial year to which the statement relates.

**2021/22 and 2022/23 External Audit**

BDO LLP (the council's appointed external auditors) are required to produce an audit planning report to highlight the key elements of their external audit strategy for the Council for the years 2021/22 and 2022/23.

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The council's draft accounts for 2021/22 were published by the end of July 2022 and draft accounts for 2022/23 were published by the end of May 2023 in line with the Accounts and Audit Regulations 2015 and The Accounts and Audit (Amendment) Regulations 2022.

## Recommendations

1. **That the Committee notes the progress towards the sign off of the Council's 2020/21 Statement of Accounts.**

## 1. Reasons for the Recommendations

1.1   BDO advised Audit Committee in July 2021 that they were not able to commence the audit until September, it was therefore not possible for them to conclude their audit in line with the statutory deadline. BDO presented a draft completion report to Committee in December 2021 and again in February 2022.

1.2   Audit Committee in February 2022:

- Approved, subject to there being no material amendments, the Statement of Accounts for 2020/21 and recommended that they be signed by the Chairman and the Executive Director of Resources (Statutory 151 Officer) on behalf of the Council.

- Delegated to the Executive Director of Resources (Statutory 151 officer) the ability to make necessary amendments to the statement of accounts, in so far as there is no material impact on the General Fund, based on any subsequent findings of the External Auditor

1.3   For 2020/21 audit, no material impacts have been found since the last update provided to Committee the final Statement of Accounts, including the Pension Fund accounts, will be published on the council's website once BDO have provided their Audit Opinion for inclusion in the Statement of Accounts.

1.4   Under Section 151 of the Local Government Act 1972- "…every local authority shall make arrangements for the proper administration of their financial affairs". Additionally, in accordance with International Standard on Auditing (ISA) 260, the external auditor is required to issue detailed reports on matters arising from the audit of the council's accounts and pension fund accounts.

1.5   In July 2023, DHLUC issued a statement outlining proposals to address the significant backlog in local authority audits in England. BDO will give a verbal update to committee on these proposals. A link to the statement is included in section 9.1 in the background papers to this report.

## 2. Alternative Options Considered and Not Recommended

2.1   None in the context of this report.

## 3. Post Decision Implementation

3.1   None in the context of this report.

| 4. | **Corporate Priorities, Performance and Other Considerations** |
|---|---|

**Corporate Plan**

4.1   This supports the council's corporate priorities as expressed through Our Plan for Barnet which sets out our vision and strategy for the borough. This includes the outcomes we want to achieve for the borough, the priorities we will focus limited resources on and, our approach for how we will deliver this.

4.2   The Annual Statement of Accounts are the primary means by which the Council is held to account for the stewardship of its resources.

4.3   The audits for 2020/21, 2021/22 and 2022/23 will assess fundamental aspects of financial standing and performance management in Barnet that relate to underlying principal of being financially responsible now and into the future.

**Corporate Performance / Outcome Measures**

4.4   None in the context of this report.

**Sustainability**

4.5   None in the context of this report.

**Corporate Parenting**

4.6   None in the context of this report.

**Risk Management**

4.7   A positive external audit opinion on the council's Statement of Accounts plays an essential and key role in providing assurance that Barnet's financial risks are managed in an environment of sound stewardship and control.

4.8   There are no key risks relating to the production, audit or publishing of the Statement of Accounts identified in the Council's risk register however, delays to the completion of audits does create a risk in that any issues identified cannot be addressed and resolved in a timely manner.

**Insight**

4.9   None in the context of this report.

**Social Value**

4.10  None in the context of this report.

| 5. | **Resource Implications (Finance and Value for Money, Procurement, Staffing, IT and Property)** |
|---|---|

5.1   The Statement of Accounts show the financial position of the council as at 31 March 2021.

| 6. | **Legal Implications and Constitution References** |
|---|---|

6.1   Section 151 of the Local Government Act 1972 requires that "…every local authority shall make arrangements for the proper administration of their financial affairs".

6.2   The Council is a public authority that is subject to the audit of its annual accounts by an external auditor. The Local Audit and Accountability Act 2014, Part 5 specifies the conduct of local audit.

| | |
|---|---|
| 6.3 | Part 3, Regulation 9 of the Accounts and Audit Regulations 2015 requires that the statement of accounts must be considered by a committee or full council and approved by a resolution of that body. The accounts must then be signed by the person presiding at the meeting. The Section 151 officer must then reconfirm on behalf of the authority that they are satisfied that the statement of accounts presents a true and fair view of the financial position of the authority and its income and expenditure for that year. |
| 6.4 | The 2015 Regulations require that the final approved accounts are published not later than 30th September of the financial year immediately following the end of the financial year to which the statement relates. The audit did not commence until September 2021 and it was therefore not possible for it to be concluded in line with the statutory deadline. |
| 6.5 | International Standard on Auditing (UK and Ireland) 260 deals with the auditor's responsibility to communicate with those charged with governance in an audit of financial statements. A link to the website containing ISA 260 can be found in the background papers to this report. |
| 6.6 | Under the Council's Constitution, Part 2B, Terms of Reference and Delegation of Duties to Committees and Sub-Committees, section 2 sets out the terms of reference of the Governance, Audit, Risk Management and Standards Committee which includes in section 2.4.13 which includes "To review and approve the annual statement of accounts and consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts". |

## 7. Consultation

| | |
|---|---|
| 7.1 | None in the context of this report. |

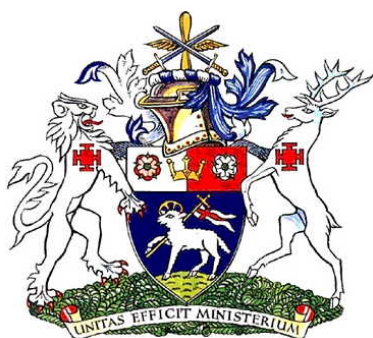## 8. Equalities and Diversity

| | |
|---|---|
| 8.1 | Accurate financial reporting is important to ensure the management of resources to enable the equitable delivery of services to all members of the community, to reduce the differential impact of the services received by all of Barnet's diverse communities and to ensure compliance with the council's duties under the 2010 Equality Act. |

## 9. Background Papers

| | |
|---|---|
| 9.1 | Governance, Audit, Risk Management and Standards Committee – November 2023: Item 9 Agenda for Governance, Audit, Risk Management and Standards Committee (GARMS) on Monday 27th November, 2023 7.30 pm (moderngov.co.uk) |
| 9.2 | Governance, Audit, Risk Management and Standards Committee – October 2023: Item 7 Agenda for Governance, Audit, Risk Management and Standards Committee (GARMS) on Monday 16th October, 2023, 7.00 pm (moderngov.co.uk) |
| 9.3 | Department for Levelling Up, Housing and Communities (DHLUC) Statement: Local Audit Delays – Cross-System Statement On Proposals To Clear The Backlog And Embed Timely Audits |
| 9.4 | Governance, Audit, Risk Management and Standards Committee – July 2023: Item 8 Agenda for Governance, Audit, Risk Management and Standards Committee (GARMS) on Monday 24th July, 2023, 7.00 pm (moderngov.co.uk) |
| 9.5 | Audit Committee – April 2023: Item 7 Agenda for Audit Committee on Wednesday 26th April, 2023, 7.00 pm (moderngov.co.uk) |

9.6   Audit Committee – January 2023: Item 7 [Agenda for Audit Committee on Monday 16th January, 2023, 7.00 pm (moderngov.co.uk)](#)

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# Governance, Audit, Risk Management and Standards Committee

| | |
|---|---|
| **Title** | Senior Information Risk Owner (SIRO) Annual Report 2022 - 2023 |
| **Date of meeting** | 18 January 2024 |
| **Report of** | Clair Green, Executive Director of Assurance |
| **Wards** | All |
| **Status** | Public |
| **Urgent** | No |
| **Appendices** | Appendix A - Senior Information Risk Owner (SIRO) Annual Report 2022 - 2023 |
| **Officer Contact Details** | **Clair Green,** Executive Director of Assurance<br>Clair.green@barnet.gov.uk<br>**Emily Bowler,** Assistant Director of Assurance<br>emily.bowler@barnet.gov.uk<br>**Ali Saka,** Head of Assurance and Business Development<br>ali.saka@barnet.gov.uk |

## Summary

- This report presents a summary of information governance risks, issues, and the council's activities to ensure appropriate governance of information within the Council.

- This report provides assurance to the Committee that the council's information governance policy and practice is in line with legal obligations and consistent with the principles of good governance.

## Recommendation

**That Committee:**

1. note the council's activities and position in respect of information risk as set out in the report
2. consider any further steps it may wish to see taken to promote good practice in information governance within the Council

**1.    Reasons for the Recommendations**

1.1     Production of an Annual SIRO Report is seen as good practice that is being introduced by growing number of local authorities.

1.2     This report is presented with the intention to support the Committee in discharging its responsibilities in relation to corporate governance, which includes information governance.

1.3     This report covers the reporting period 1 April 2022 - 31 March 2023 and provides assurance of compliance with regards to the council's information governance obligations.

1.4     The council's information governance arrangements are closely monitored by relevant management teams and governance boards to ensure systems, policies and procedures are fit for purpose; and that all council staff, elected members, and key partners understand the importance of information governance and security, comply with legislation, and adopt best practice.

1.5     The council has designated information management roles which include Data Protection Officer, SIRO, and Caldicott Guardian.

1.6     Information Management risks are identified, logged, escalated, and reviewed in line with the council's robust Risk Management Framework.

1.7     Data protection impact assessments are used to assess data impacts of all projects and major processes

1.8     Information management due diligence of suppliers and IT approval processes use escalation paths to ensure there are appropriate risk assessment and governance arrangements concerning information risks.

1.9     The internal audit service conducts audits that support the council in maintaining a positive information management culture, governance, and internal controls. The audits carried out during the reporting period focussed on third-party cyber risks, staff cyber security training, pre-employment checks, and remote working; recommendations from each audit have been actioned.

1.10     The council has a robust process to review and respond to Freedom of Information (FoI) requests and continues to exceed its target which is 95%.

1.11     The council continues to exceed the recommendations of the Transparency Code of Practice; the council's proactive approach to transparency reduces the demand on its resources to respond to higher number of FoI requests.

1.12     Despite the council receiving increasing number of subject access requests, it continues to show year-on-year improvement in timelines of responses (95% in 2022/2023)

1.13     The council has a positive culture of reporting information incidents; lessons from incidents are used to improve processes and shared across the council to maintain awareness.

1.14      During the reporting period 150 incidents involving council services and 20 incidents involving third parties were reported; none were rated high risk and 2 incidents required ICO reporting (both resulted in no further action).

1.15     All staff are required to undertake mandatory Data Protection Essential and Information Security e-learning; the council has achieved the 95% target for training compliance and published its Data Security and Protection assessment. Mandatory training compliance is an area of current focus to improve ongoing compliance, associated processes, and data quality.

1.16     The council has continued to reduce its offsite storage holding through improved retention reviews and digitalisation of records. These deliver cost savings and support the council's drive to net zero.

Cyber-attacks remain a high risk and the council is continually strengthening security controls to minimise the likelihood of a cyber-attack. This includes active monitoring of threats, communication traffic and information flow; intelligence sharing; improved change management and IT approval processes, physical and digital security controls put in place to safeguard council devices and IT estate, as well as its supply chain.

In 2023/2024 will focus on improving staff training, cyber security of the council's supply chain, and data labelling.

1.17    The council's Records and Information Management Team maintains a comprehensive suite of policies, standards, toolkits, and procedures, which are subject to regular reviews.

1.18    All information management risks are reported as part of the quarterly strategic risk updates and each risk is routinely reviewed, and appropriate measures implemented to treat/reduce its risk/impact. Potential impact of a cyber attack remains high as it could impact the council's ability to operate or result in widescale disruption and financial cost. Various controls and business continuity measures are implemented to mitigate and respond to a potential attack.

## 2.    Alternative Options Considered and Not Recommended

2.1    The Senior Information Risk Owner (SIRO) Annual Report is considered by the council's senior officers.

2.2    The Committee may choose to exclude the report from future committee meetings. The Governance, Audit, Risk Management and Standards Committee's consideration of this report supports the council's commitment to good governance and transparency.

## 3.    Post Decision Implementation

3.1    None

## 4.    Corporate Priorities, Performance and Other Considerations

**Corporate Plan**

4.1    Good information governance and transparency ensures the council remains compliant and engaged, which support the delivery of the Council's vision as set out in Our Plan for Barnet 2023-2026.

**Corporate Performance / Outcome Measures**

4.2    The Assurance Directorate Outcomes Framework is the means through which we provide assurance that the directorate works towards delivering the Council's priorities as set out in Our Plan for Barnet. Continuous improvement of information governance is a key priority for the council and ongoing compliance with information governance policies and procedures are monitored through the Assurance Outcomes Framework.

**Sustainability**

4.3    There are no sustainability implications arising from this report.

**Corporate Parenting**

4.4    There are no corporate parenting implications arising from this report.

**Risk Management**

4.5    The council has an established approach to risk management, which is set out in the Risk Management Framework. High level information governance and security risk are included within

the quarterly strategic risk reports considered the Governance, Audit, Risk Management and Standards Committee.

**Insight**

4.6 Horizon scanning and learning from information incidents provides insight in relation to the council's information governance culture and current and future risks, and helps identify continuous improvement opportunities.

**Social Value**

4.7 There are no direct impacts on sustainability from noting the recommendations.

| 5. | Resource Implications (Finance and Value for Money, Procurement, Staffing, IT and Property) |
|---|---|

5.1 It is anticipated that all activity set out in this report is achievable within existing and planned budgets.

| 6. | Legal Implications and Constitution References |
|---|---|

6.1 Information governance is governed by UK legislation, regulation, statutory guidance, and case law. This report sets out, at a high level, the reasonable technical and organisational measures that the council is taking and plans to take in order to ensure compliance with this legal framework and minimise information risk.

6.2 The Council's Constitution (Part 2B) sets out the terms of reference for Committees. The responsibilities for the Governance, Audit, Risk Management and Standards (GARMS) Committee include providing "independent assurance to the members of the adequacy of Barnet Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. ".

| 7. | Consultation |
|---|---|

7.1 None

| 8. | Equalities and Diversity |
|---|---|

8.1 Decision makers should have due regard to the Public Sector Equality Duty in making their decisions. The equalities duties are continuing duties and not duties to secure a particular outcome. Consideration of the duties should precede the decision. It is important that Cabinet has regard to the statutory grounds of the Public Sector Equality Duty, which are found at section 149 of the Equality Act 2010 and are as follows:

A public authority must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act;

- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it;

- Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

    - remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;

    - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;

- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

- The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

- Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

    - Tackle prejudice, and

    - Promote understanding.

8.2     Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act. The relevant protected characteristics are:

- Age

- Disability

- Gender reassignment

- Pregnancy and maternity

- Race

- Religion or belief

- Sex

- Sexual orientation

- Marriage and Civil partnership

An equality impact assessment has not been completed for this matter. However, the Council has considered the equality implications of its communications systems, including the need to ensure that communication meets the need of a wider range of the public, including those with disabilities or neurodiversity, as well as those who may have a language barrier.

## 9.     Background Papers

- Appendix A - Senior Information Risk Owner (SIRO) Annual Report 2022 - 2023

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# Senior Information Risk Owner (SIRO)
# Annual Report 2022 - 2023

**Report Summary**

Producing an annual Senior Information Risk Owner (SIRO) Report is seen nationally as good practice, its aim is to inform Senior Management and Elected Members of information governance challenges and raise awareness of the Council's regulatory obligations.

Furthermore, the report aims to provide assurance of compliance with the council's statutory obligations with regards to information governance. This includes the following disciplines: Data Protection, Freedom of Information, Environmental Regulations, Cyber Security, Transparency Code, and Records Management.

## Contents

## 1    Introduction

This annual report, provided by the Barnet Council's Senior Information Risk Owner (SIRO), outlines the activities and performance related to information governance and provides assurance that all information related matters across the Council are being effectively managed. The report reflects on the work undertaken during the financial year ending 31$^{st}$ March 2023 and highlights the progress made; where improvements are required to ensure compliance with the legislation, and details the plans in place to minimise risk and improve performance. The council continues to be committed to effective information governance and the governance arrangements are closely monitored to ensure systems, policies and procedures are fit for purpose; and that all council staff, elected members and key partners understand the importance of information governance and security, comply with legislation, and adopt best practice.

The role of SIRO undertaken by the Executive Director of Assurance and is Deputised by the Head of Assurance and Business Development.

## 2    Key Roles and Responsibilities

**Council Management Team**

Chaired by the Chief Executive, the Council Management Team (CMT) is in place to provide overall management and leadership of the council and work with Members to set the strategic outcomes for the borough.  It sets and monitors the future direction of the council and ensures high performance against outcomes.  Representation is across all service delivery units at the highest level of management.

Key responsibilities relevant to accountability and assurance include:

- Ensure the statutory duties of the council are effectively discharged

- Ensure business continuity and disaster recovery plans are sufficiently robust

- Ensure effective decision making and an internal control environment

- Agree intervention approach when assurance is not satisfactory

- Review of the Corporate Risk Register including report of the Senior Information Risk Owner

- Manage escalated risk

**SIRO**

- The SIRO at the London Borough of Barnet has overall responsibility for the council's information risk and risk assessment processes.  The SIRO is a member of the Council Senior Management Team and chairs the Security Board.

- They have responsibility for leading and fostering a culture that values, protects and uses information for effective delivery of the council services and functions.

- Their role is to focus on strategic information risks related to the delivery of the council's corporate objectives and taking into account the council's risk appetite to take a holistic approach to information risk across the council.

**Deputy SIRO:**

- Provides a focus for the management of information governance at a senior level

- Provides advice and reports in respect of information incidents and risks, including the content of the Council's Annual Governance Statement relating to information risk

- Owns the management of information governance and risk assessment processes within the Council

- Understands how the strategic priorities of the Council may be impacted by information governance risks, and how these risks need to be managed including the adequacy of resources and levels of independent scrutiny

- Chairs the council's Security Forum.

**The Data Protection Officer:**

- Provides independent advice, guidance and reports in respect of all aspects of information management

- Ensures the council's implementation of policies, standards and procedures for Information Governance aim to reduce the risk of legal action from individuals, organisations or regulators

- Responsible for creating and maintaining the council's statutory records of data processing activities and Data Sharing Agreements, ensuring the Council is not acting outside of its powers

- Acts as the primary contact with the ICO and individuals in the investigation of data protection complaints and breaches to reduce the risk of monetary penalty, legal enforcement, and reputational risk

- Responsible for identifying key control failings / weaknesses in information management processes and provide support to senior managers to adopt new practices and procedures to improve operational performance and reduce risk.

The role of the statutory Data Protection Officer is held by the Records and Information Service Manager and has a dotted line of responsibility to the SIRO.

In addition to these key Officers, there are a number of statutory and non-statutory Officers across service areas offering support in relation to information governance and information security.

- **Records and Information Management Team** - this is the specialist corporate lead and resource for supporting and assuring the council's compliance with information law, and the effective management of council records and information at every point of its lifecycle, from its creation to its deletion/destruction or long-term preservation.

- **IT Security Manager** - the role of the security manager is to promote and adopt security best practice. Working with the organisation, IT operations, architectures validating best practice around security and recommend changes to enhance security posture and risks. Also works with key stakeholders to ensure the organisation is PSN and PCI compliant from a network perspective and the organisation meets ISO27001 requirements.

- **Legal Services -** Legal services are provided to the council by Harrow Barnet Public Law (HBPL). They support the SIRO in providing legal advice on contentious or high risk matters, that affect the council or its assets. Ensuring the council adheres to any legislative or regulatory requirements.

- **Link Officers and Records Champions (within delivery units)** - These officers work closely with the Records and Information Management Team acting as the point of contact for

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information management related requests.  Taking responsibility for dealing and responding in line with the relevant legislative requirements.  They are responsible for promoting best practice within their service and adherence with council policy.

## 3    Governance and Monitoring arrangement

The SIRO is supported by the following Boards / Groups:

- **Security Board**

  The Security Board meets quarterly and is responsible for monitoring and making decisions on key risks associated with the security of the council, this includes, information security, physical security, building security, cyber security, and data protection.   The Security Board is a point of escalation for serious security issues and reports directly to the Council Management Team.  It is chaired by the SIRO.

- **Security operations Forum**

  The Security Operations Forum underpins the Security Board.  It meets monthly and facilitates cross-area discussion on operational, day-to-day, issues relating to security and information management. The Forum tasks actions that will improve the security of Barnet Council with the aim to protect its staff, assets, information, and data. It is chaired by the Deputy SIRO.

- **Information Management Governance Groups (IMGGs)**

  IMGGs exist within the following areas of the council:

  - Barnet Education and Learning (BELS)
  - Family Services
  - Communities and Adults
  - Assurance

  Representatives from each delivery unit attend regular sessions (6 weekly) along with Lead Officers within the Council's Records and Information Management Team to discuss any emerging issues or concerns.  The group are accountable for driving delivery of the organisation's Information Management objectives, ensuring information management compliance within their delivery unit and maintaining oversight of breaches and incidents, with a primary aim to improve information management compliance and reduce risk.

## 4    Risk Management

The council has in place a robust Risk Management Framework.

Risk Registers are held and regularly maintained and updated by all service areas.  Risks, including Information Management risks, are logged, escalated and reviewed in line with the council's Risk Management Framework.

A copy of the current Information Management and Cyber risks are attached as Appendix A.

**Risk Management Process**

The council also has a number of risk and review processes in place to assist in assessing and mitigating information risk.  These include:

**Data Protection Impact Assessments:**

This is a tool to help organisations identify the most effective way to comply with data protection obligations.  They are used at project inception to ensure information risks are identified and dealt with early and also where new or changes to information sharing may result in high risks to data subjects.

There is a requirement built into policy that all new projects and processes are assessed for whether a statutory DPIA (Data Protection Impact Assessment) is required, and if not, a more informal IMIA (Information Management Impact Assessment) is completed.

All DPIA's are checked by the Council's Data Protection Officer.

No DPIA's have required a high risk referral to the Information Commissioner for 2022/2023.

**Supplier / Service Provider Due Diligence:**

As outlined in the Council's Procurement Toolkit, services must undertake information management due diligence with any new contractors or service providers, ahead of contract.  A Due Diligence Template is in place for this purpose.

Contracts are required to contain standard approved data protection, FOI and Transparency contract clauses which ensure our service providers meet appropriate standards when undertaking work on behalf of the Council.

The London Office of Technology and Innovation (LOTI) is funding a project to review the due diligence processes used by all London boroughs.  Barnet is active on the working group tasked with developing a standardised due diligence process that will result in six primary outputs:

- Cybersecurity Questions - to be answered by contractors.

- IG Questions - to be completed by contractors.

- Accreditations - a compendium of common accreditations (e.g., DSPT, ISO27001) and the aspects of IG and cyber that they address, along with the weight that should be assigned to them.

- Evidence - A list of documents a local authority (LA) expects a (proposed) contractor to provide, such as a DP Policy, ICO registration, or PSN certificate.

- Evaluation guidance - for IG officers, contract managers and procurement teams on how to evaluate questionnaires and evidence.

- Contract Monitoring & Audit - Guidance on what to evaluate in ongoing contract management and on how to handle SLA breaches or noncompliance.

The working group will recommend that all London boroughs use the standardised outputs in their own contracts, to provide greater assurance around the provisions on service providers and improve procurement practices and information management standards.  This work should be completed in 2023/2024.

**IT Approval Process:**

All requests for IT Software or Systems are subject to a formal assessment and approval process.  Each submitted request is reviewed by CSG IT from a technical, strategic and application support

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perspective; by the LBB Business from a strategic perspective; and from the Records and Information Management Team from an Information Management and Data Protection risk perspective.

**NOTE:** Every process has an identified risk escalation path in place, where high risk risks are either referred to the DPO, the SIRO or where appropriate the Security Board.

## 5   Internal Audit

Internal Audit play a key role in assisting the SIRO, by working to ensure a positive culture of internal control, effective risk management and good governance.

The following Audits undertaken in 2022/2023 have relevance to Data Privacy and Information Security:

| Audit Title | Date | Scope areas | Assurance Rating | Relevant findings |
|---|---|---|---|---|
| Cyber Security - Third Party Security and Awareness | March 2023 | • Third-party cyber risk management for IT suppliers<br><br>• Cyber security training and awareness | Limited | The Council has two complementary cyber security related training modules (Cyber Crime and Cyber Security) available to Council staff over the intranet. However, these training modules are not mandatory. The Council is, currently, considering an overhaul of the training programme.<br><br>Escalations for incomplete training are automatically sent through emails to respective line managers. However, training completion was not found to be sufficiently enforced at the Council as staff training completion levels against specific due dates were not readily tracked.<br><br>The Council has not identified high-risk roles within the organisation (such as privileged system users, administrators, senior officers etc.) that may require specific cyber security awareness education and training. |
| Recruitment - Pre-employment Checks | March 2023 | • Policies and Procedures<br><br>• Roles and Responsibilities<br><br>• Staff Vetting | Limited | One High risk finding: GDPR concerns<br><br>Per the GDPR policy set by the Council, only relevant personal information should be captured and held, and all personal data should be deleted ten years after an employee leaves the Council. |

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| | | | | We reviewed the process and noted the following: |
|---|---|---|---|---|
| | | | | - Pre-employment documents are retained within shared folders on file explorer, which is not a safe or secure location. These files could potentially be accessed by anyone in Capita HR, and it was unclear whether the wider Capita team could also access such files. |
| | | | | - All information received from the Council is stored, rather than only the information required to be retained. Management confirmed that all information received is stored and there is no mechanism to review and retain only what is required in line with regulation. |
| | | | | - Both the Barnet Recruitment Team and Capita HR are working towards a six-year document retention period for pre-employment purposes, rather than the ten-year period defined by the 'big bucket' approach the Council have adopted. Documentation is consequently not deleted in line with guidance set out by the Council. |
| Remote Working | June 2022 | • Policies and Procedures<br><br>• Awareness, Communication and Training<br><br>• Access Management<br><br>• Data Loss | Reasonable | **Restrictions on Cloud Applications (medium risk)** – There is currently a lack of appropriate controls restricting third party cloud applications, which could result in confidential council data being leaked or accessed by inappropriate parties. The increasing endorsement of cloud-based 'software-as-a-service' (SaaS) applications that can be accessed online has made data sharing easier but has also heightened the risk of data loss. Management should review and risk-assess which cloud sharing platforms should be permitted and implement |

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| | | | | | blacklisting rules on riskier cloud applications. |
|---|---|---|---|---|---|
| | | | | 8 | **Oversight of staff working overseas (medium risk)** – The Council does not have sufficient guidance on and oversight of staff working overseas. We noted that the Council does not have a centralised register that tracks employees overseas. This reduces the level of oversight that the Council has to ensure that employees are adequately supported when working abroad. The Council should ensure Insurance receive the monthly report of staff who have applied to work overseas so that they have visibility of staff planning to work abroad, and issue guidance to staff and managers that sets out the Council's policy for overseas working.

**Lack of a Data Loss Prevention (DLP) strategy (low risk)** – A Data Loss Prevention (DLP) strategy sets out how an organisation detects and prevents potential data breaches or data being inadvertently shared or transmitted. The Council does not currently have a DLP strategy. However, we did note that the Council currently has a number of controls in place to help mitigate the risk. It is important that the Council produces documentation that details the Council's approach to data loss prevention.

**Cyber Security information (low risk)** – Due to the increased reliance placed on IT security practices due to the advent of remote working, it is important to regularly communicate and spread awareness of targeted methods of data theft such as phishing and malware attacks. We have seen that staff do not receive regular communications in relation to data/cyber security risks and |

| | | | | issues, which may lead to an increased risk of cyber/data security breaches occurring. |
|---|---|---|---|---|

## 6  Overview of Statutory Performance April 2022 – March 2023

### 6.1  Freedom of Information

| Year | Requests Received | Percentage responded to within statutory deadline (Target of 95%) | Internal Reviews Received | Internal Reviews – original decision fully upheld | Complaints Received from the Information Commissioner | Decision Notices issued against LBB by the Information Commissioner |
|---|---|---|---|---|---|---|
| **2020/2021** | 1882 | 96% | 40 (2%) | 19 (plus 4 upheld in part) | 5 | 0 |
| **2021/2022** | 1556 | 97% | 40 (3%) | 14 (plus 13 upheld in part) | 12 | 0 |
| **2022/2023** | 1622 | 96% | 53 (3%) | 22 (plus 12 upheld in part) | 7 | 1 |

- FoI performance remains high across most services, and the council again exceeded targets.

- An "upheld" refers to the council's original decision.  E.g. the review will full support withholding information and the original application of the exemptions applied.

- An "upheld in part" can refer to a variety of differing outcomes.  E.g. the original decision to withhold is upheld as part of the review, but the application of exemptions in the original response has been found to be incorrect.

- Whilst the number of reviews received are high, it is encouraging that upheld and complaint figures demonstrate a robust review process as very few requests have resulted in an ICO Decision Notice overturning our response.

- The council is looking to introduce a programme of quality assurance measures to identify potential improvements to further reduce the rate of escalation to internal review stage.

- In October 2022/2023 we received one decision notice from ICO against the Council in relation to the application of the repeated request exemption.  However, this decision did not result in the council being required to release any information that had previously been withheld.

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## 6.2 Transparency

The FoI Act requires every public authority to have a publication scheme approved by the ICO and Barnet's scheme is available here:  Home | Barnet Open Data

The council aims to not only meet the requirements of the Transparency Code of Practice but to exceed them.  The following work has been completed in 2022/23:

- **Transparency Review** - we have worked to ensure that all datasets required under the Local Government Transparency Code, along with other priority datasets, are now up to date and will establish an ongoing monitoring and update process for all datasets. In 2023/24, this project will broaden its scope to look at reviewing all other statutory publication regimes that impact local authorities.

- **Historical Document Publication** - we have worked with Local Studies & Archives to publish historical documents, books, pictures and maps relating to the history of the area on the Open Barnet portal. This has enormous potential and has already received very positive feedback. Work will be ongoing to further improve and expand this resource.

The following work will be undertaken in 2023/2024.

- ➢ **Improve Transparency rights** - Updating of privacy notices, privacy information for specific service areas, data protection page, open data & information requests, emails, websites and cookies and complaints pages on our external facing website to ensure that the information provided is clear and easy for our residents and members of the public to access.

- ➢ **Information Rights Engagement** – We have established an action plan to ensure a public engagement approach across information rights, with the aim of developing a proactive framework in line with the ICO's own internal processes and best practice recommendations. Implementation of and expansion of this plan will begin in 2023/24.

## 6.3 Subject Access Requests

Under the Data Protection Act 2018, any living person has the right of access (commonly referred to as a Subject Access Request), which gives individuals the right to obtain a copy of their personal data.

The last 3 years performance data is as follows:

| Year | Requests Received | Percentage responded to within statutory deadline | Internal Reviews Received | Internal Reviews Upheld | Complaints Received from the Information Commissioner | Decision Notices issued against LBB by the Information Commissioner |
|---|---|---|---|---|---|---|
| 2020/2021 | 166 | 49%  *Large backlog and staffing resource | 6 | 2  (plus 1 upheld in part) | 10 | 0 |

| Year | Requests Received | Percentage responded to within statutory deadline | Internal Reviews Received | Internal Reviews Upheld | Complaints Received from the Information Commissioner | Decision Notices issued against LBB by the Information Commissioner |
|---|---|---|---|---|---|---|
| | | *issues as a result of Covid deployment, led to increased delays* | | | | |
| 2021/2022 | 223 | 86% | 13 | 5 (plus 2 upheld in part) | 3 | 0 |
| 2022/2023 | 205 | 95% | 18 | 6 (plus 4 upheld in part) | 6 | 0 |

## 6.4    Data Protection Incidents

The council has an excellent culture of reporting incidents regardless of the nature or risk of the issue.  Incidents can provide valuable insight into training, policy and process which may need to be strengthened as a preventative measure.

Not all incidents reported have resulted in a breach for Barnet.

Business continuity plans are regularly reviewed to respond to risks.

**Number of incidents reported in 2022/2023 and 2021/22**
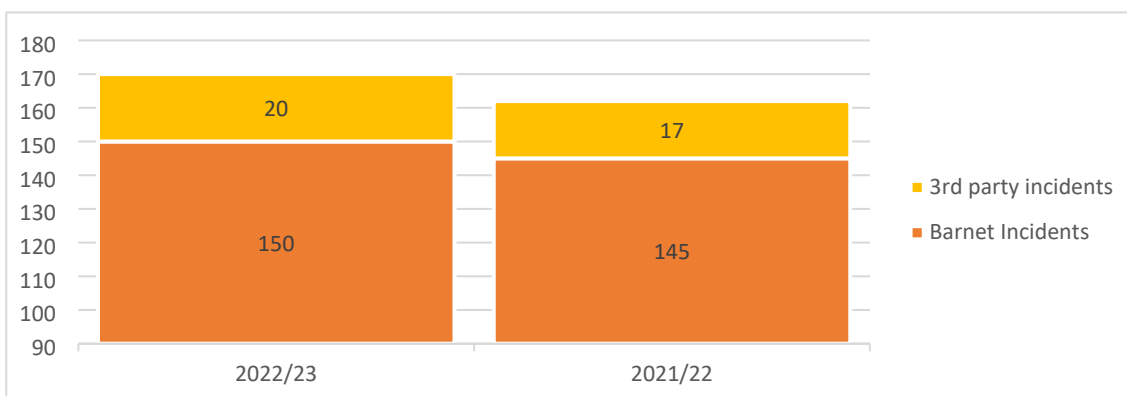
| Reporting Year | Number of Incidents Reported to the ICO | ICO Outcome |
|---|---|---|
| April 2022 – March 2023 | 2 | No further action. |
| April 2021 – March 2022 | 3 | No further action. |

**Breakdown of incidents reported for 2022-2023**

The following categories are used within our incident reporting system, these categories and numbers of each potential breach are outlined below.

| Category | Number |
|---|---|
| Disclosure – Email | 59 |
| Loss of equipment | 23 |
| Disclosure – Other | 15 |
| Disclosure – Intentional but inappropriate | 10 |
| Inappropriate security applied | 10 |
| Disclosure – Postal | 8 |
| Inappropriate / excessive processing | 8 |
| Inaccurate data / Loss of integrity | 5 |
| Disclosure – Verbal | 4 |
| Deliberate or wilful act | 2 |
| Loss of data | 2 |
| Technical / procedural fault | 2 |
| Unauthorised access | 2 |
| Destruction / Deletion of data | 0 |
| Insufficient privacy information | 0 |
| PECR (Privacy and Electronic Communications Regulations) | 0 |

Every incident reported is given an initial risk rating based on the likelihood of harm occurring and the impact that harm may have on relevant affected individuals. The 150 Barnet managed incidents were rated as follows:

- ➢ 24 Incidents – No Risk
- ➢ 95 Incidents – Low Risk
- ➢ 31 Incidents – Medium Risk
- ➢ 0 Incidents – High Risk

**Learning from breaches:**

As part of the investigation process every incident is assessed and actions assigned to services, where required, to identify opportunities to reduce the chances of a similar breach occurring in the future. These may include issuing further training, a amendment of process or policy, or targeted internal communications to remind staff regarding correct process, or highlight a risk.

Patterns of incidents, or higher risk concerns are shared across the organisation through Information Management Governance Groups to remind them of good practice in avoiding breaches occurring.

## 6.5    E-Learning Training Completions

All staff are required to undertake mandatory Data Protection Essential and Information Security e-learning as part of their induction.

Staff are required to complete this training within 8 weeks of joining and to refresh the training every 12 months; they are sent reminders about the expiry date of their training, which are escalated to Line Managers if training is not completed.

**Completions rates in June 2023 were as follows:**

| Service | DP Essentials | Info Security |
|---|---|---|
| Adults and Communities | 86% | 89% |
| Assurance | 95% | 95% |
| BELS | 95% | 96% |
| Customer & Place | 93% | 93% |
| Environment | 90% | 90% |
| Family Services | 98% | 97% |
| Public Health | 98% | 98% |
| Strategy & Resources | 88% | 88% |
| Street Scene | 96% | 96% |
| **Council Total** | **93%** | **94%** |

The council seeks a 95% completion rate overall.

This requirement takes into account the fluctuation of staff absences, such as external secondment, long term sick, or maternity leave.

**E-Learning Improvement Work**

The council acknowledges that completion rates for training are lower than the 95% it aspires to achieve and work to improve the take up of the e-learning modules is underway.

Although completion targets have not been achieved, it should be noted that significant efforts have been made to promote and encourage engagement with the training and this will continue.

A report has been written to provide the following recommendations:

- **E-Learning Monitoring:** line managers to actively monitor and address completion of modules at onboarding / probation, 1 to 1's and supervision.

- **Data Accuracy:**
    - Managers should be reminded to adhere to established protocols for Starter, Leaver and mover processes.  Providing relevant data in a timely manner to allow the system to be as accurate as possible.

    - Mechanisms need to be put in place to allow the validation of data for all service areas on a regular basis e.g. provision of lists of staff to managers to be checked and signed off.

    - The current HR Core system is due to be replaced with a new HR system called Oracle; therefore, we recommend that an establishment data cleanse is undertaken ahead of the transfer to Oracle.

    - The Oracle system must ensure that it a takes into account the feed to the POD system and testing should be undertaken to ensure the data is coming through correctly.

The above recommendations have been passed to Internal Audit to include as part of their own review of mandatory e-learning across the council.

## 7    Data Security and Protection Toolkit

Organisations that process and share NHS patient data are required to undertake an annual online self-assessment, referred to as the Data Security and Protection Toolkit.

The successful completion of the toolkit demonstrates assurance that good data security and governance monitoring is in place, and that personal information is being handled correctly.

The assessment was successfully completed and submitted in June 2023.   There were no outstanding actions at the time of submission.

## 8    Records Management

The Council acknowledges that effective records management supports effective data governance, data protection and appropriate decision making.

This year the Council has embarked on a project to scan all of its property deeds.  A new process will be introduced which will include creating digital copies of deeds which will be the primary records accessed on a day-to-day basis. The project will bring about improved access (speed and access control).  The scanning process itself will mitigate the current risk of deterioration by ensuring that the original hardcopy records are only accessed and handled rarely.  This will help to mitigate the currently risk of deterioration and help to preserve our original documentation for longer.

The project will also bring additional benefits such as reduction in delivery costs and reduction in duplication of paper records.  Both of which will contribute to the council's drive for net zero.

We have also planned a full review of the records retention schedule and an audit of our off-site storage holdings.  We will be looking at retention within systems, as well as electronic and paper records, and a review of processes.   Internal audit will also be undertaking a records retention focused audit in the 3rd quarter of 2023.  Any recommendations will feed into our review.

## 9    IT and Cyber Security

Cyber-attacks remain a high risk overall to the Council and the impact of a cyber security attack would be significant with most if not all services affected. Knowing the significance of this impact

the Council is continually strengthening security controls to minimise the likelihood of an external cyber-attack.

The Cyber Security threat landscape is actively monitored and working closely with National Cyber Security Centre (NCSC) any emerging threats or intelligence that are identified are mitigated. The Council continues to subscribe to appropriate cyber security network alert services.

All Council issued devices laptops and smartphone are encrypted to ensure the safety of Council data should the device be lost or stolen. The Council also has password phrase adding complexity in accessing Council devices and data.

Critical security patches are updated to ensure that all applications have the latest patches and hackers are not able to exploit these vulnerabilities. In addition, there is a robust patching regime in place for Windows updates.

Firewalls are managed and monitored to assist in the prevention of any dangerous programs, virus, or spyware before they can infiltrate the network.

The Council secured some funding from the Department of Levelling Up, Housing and Communities to support our cyber security protection.

During the year, the Council retained its PSN compliance certificate with any highlighted areas of improvement addressed and is also PCI compliant.

Phishing scams are the most common type of cyber-attack in the UK, accounting for 44% of all incidents. This is where the user inadvertently downloads software or allows access to networks. As part of improving training and awareness regular communications and phishing exercises are run to allow help users spot a phishing email to prevent a real attack.

Another key area that affects the Council is the attack on supply chain, this can be suppliers of applications or delivery of services to the council. When either themselves or one of their subcontractors is attacked by hackers, they also try to attack all the other organisations.

Several technical improvements were delivered during the year to enhance the Councils Cyber Security, some of which are:

- Enhanced monitoring of traffic and trends and blocking of suspicious traffic

- Moving to Microsoft E5 Licencing which includes enhanced security features.

- Close working with NCSC and other regional and national bodies on Cyber

- More robust change management for applications and the introduction of an approval process in the use or purchase of new software

- Monitoring of overseas working and ensuring all employees have approval.

Moving forward 2023/24 will see:

- Improvements and additions of cyber security to the information management training module

- Changes to include cyber security in the supply chain of services and applications.

- Introduction of data labelling

2022/23, also saw: 543 changes made to either applications or to the network.

To date 23/24: we have had 492 changes made to either applications or the network.

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## 10 Policy Reviews

The council's Records and Information Management Team maintains and review a comprehensive suite of policies, standards, toolkits and procedures.  These are subject to regular review and update.

Of the 21 policies and standards in existence, 12 of these received review in 2022/2023, 3 are due review in March 2024, and the remaining 6 will be reviewed in 2023/2024.

**APPENDIX A – Information Management Risks**

| Risk Description | Controls and Mitigations in Place | Residual Risk - Total | Response Option | Treatment Actions | Direction of Travel (from previous quarter) |
|---|---|---|---|---|---|
| **Non-compliance with data protection legislation including GDPR** - Council staff and partners failing to follow GDPR legislation, including the organisation's policy and processes, could lead to data protection breaches resulting in enforcement action and monetary fines, complaints, adverse impact on individuals and claims for compensation. | 1. Information Management's framework of policies, and a specific data protection toolkit controls is published and regularly reviewed<br>2. All staff receive e-learning (including at induction) and follow up training offered in more sensitive areas<br>3. There is effective incident management, and Information Management Governance Groups<br>4. Council wide Security Board meets quarterly, chair by the SIRO and Security Operations Forum, meets monthly, chaired by the deputy SIRO<br>5. Key contacts within the council have been receiving guidance<br>6. Ongoing communications to council staff on information management guidance<br>7. E-learning reminder to all staff, included in initial induction pack for new starters<br>8. 6-monthly reporting to CMT for discussion and review. | 12 | Treat | 1. Refresh of records and information management policy suite<br>2. Further communications and engagement with services to ensure the completion of the mandatory e-learning modules. | Reduced |
| **Records not destroyed in line with legislation (retention)** Directorates not destroying information in a timely manner once the information has reached its retention date and is no longer required to be retained by the council could lead to data breaches resulting in enforcement action. | 1. Destruction reminders at Information Management Governance Group (IMGG)<br>2. Continuous development of Barnet's Retention Schedule to include more files types to improve accuracy in retention date allocation<br>3. Reports are generated by Records Management every six months on offsite stored files which have reached their assigned retention period - these are circulated for review to Records Champions and escalated at IMGG if applicable. | 12 | Treat | 1. Support service areas in reviewing the backlog of overdue destruction reviews and documents held.<br>2. Review and re-training of Records Champions in late 2023, early 2024 to ensure knowledge is | |

| Risk Description | Controls and Mitigations in Place | Residual Risk - Total | Response Option | Treatment Actions | Direction of Travel (from previous quarter) |
|---|---|---|---|---|---|
| | 4. Outstanding files are reviewed, monitored and escalated at Security Board. | | | retained and expanded across the organisation and that officers are aware of their duties within this role.<br>3. Re-education and sessions around the use of Email, MS Teams and other Council software to ensure information is being stored and processed in line with Records Management Policies and procedures<br>4. Records Destruction Audit beginning in October within Customer and Place, this will enable us to pick up on good practice as well as highlight recommendations for improvements that can be replicated across other service areas. | |

| Risk Description | Controls and Mitigations in Place | Residual Risk - Total | Response Option | Treatment Actions | Direction of Travel (from previous quarter) |
|---|---|---|---|---|---|
| **Confidential waste not destroyed -** Confidential waste not being securely destroyed or overfilled confidential bins could lead to data breaches resulting in enforcement action. | 1. Confidential Waste is managed by the Facilities Management team through the use of shredders at print points and confidential waste consoles have been installed on 6th, 7th and Ground floors in Colindale<br>2. Regular office walk-arounds by Records Management<br>3. Guidance issued to staff regarding working from home protocols re. printing and confidential waste. | 9 | Tolerate | There are no further actions at this time. The risk has reached its target score and is being tolerated with the existing controls and mitigations in place. | |
| **Loss / damage of physical records -** Documents not stored in relation to retention policy (improper use of storage, poor records management) or damage to the building (fire, flood, restricted access) could lead to records being damaged or being inaccessible resulting in loss or destroyed of confidential, statutory or highly valuable information such as property deeds and financial impact to the council. | 1. Appropriate building regulations being followed<br>2. Policies and procedures in place on guidance on proper records management processes - continuous education and communication of best practice through Information Management Governance Group (IMGG) occur regularly. | 9 | Treat | 1.   1. Deeds Scanning Project underway August 2023 to ensure the risk of paper records is mitigated. | |

| Risk Description | Controls and Mitigations in Place | Residual Risk - Total | Response Option | Treatment Actions | Direction of Travel (from previous quarter) |
|---|---|---|---|---|---|
| **IT cyber security** - A cyber attack could lead to the council being unable to operate resulting in widescale disruption and financial cost. | 1. There are multiple-layer firewalls to protect the environment.<br>2. Annual Security Health Check (Public Sector Network (PSN) Standard).<br>3. PCI Accreditation.<br>4. Annual review of over 100 cyber security controls, aligned with ISO 27001.<br>5. Anti-virus on the server estate.<br>7. Subscribe to National Cyber Security Centre (NCSC) early warning system and web check.<br>8. Receive weekly updates from NCSC to confirm vulnerability status.<br>9.  Receive weekly and critical updates from Microsoft/ Capita.<br>10. Annual Cyber Security training and awareness for staff.<br>11. 24hr Emergency Response<br>12. Microsoft E5 security - including: advanced threat protection (ATP), advanced threat endpoint protection ATEP<br>13. Safelinks - email URL scanning to protect access to malicious links that are used in phishing and other attacks.<br>14. Additional cyber security audit with PwC completed, action plan created.<br>15. Worked with Business Continuity leads to improve plans to manage impact.<br>16. Applied for and received funding from DLUHC, with action plan linked to funding.<br>17. The implementation of an online web protection application (Imperva) preventing DDOS attacks specifically for the Barnet websites | 15 | Treat | 1. Develop additional scenario based training to roll out to senior staff (funding provided by London Councils).<br>2. Implement action plan from PwC audit to be completed.<br>3. Implement action plan from BC review.<br>4. Implement action plan tied to DLUHC funding. | Same |

| Risk Description | Controls and Mitigations in Place | Residual Risk - Total | Response Option | Treatment Actions | Direction of Travel (from previous quarter) |
|---|---|---|---|---|---|
| **Cyber security -** A cyber attack could lead to the council being unable to operate resulting in widescale disruption and financial cost. | 1. Monthly contract management meetings in place to manage the contract and relationship with CSG.<br>2. Monthly Partnership Operations Board for escalation of any issues identified.<br>3. Joint risk being managed by CSG - IT with controls/mitigations in place.<br>4. Learning portal - mandatory training on Information Management/cyber security for staff.<br>5. Regular audits undertaken.<br>6. PCI (payment card industry) accreditation.<br>7. Management and oversight of the actions being carried out by CSG on the council's behalf (captured in the joint risk register).<br>8. BC leads have provided plans in case of a cyber security event.<br>9. Remote working audit completed and recommendations implemented on working abroad policy and external websites.<br>10. Simulated phish went to all staff, and recommendations implemented.<br>11. PwC audit completed on supply chain.<br>12. Implemented website health recommendations.<br>13. Microsoft 365 health check completed and recommendations implemented including updating password rules. | 15 | Treat | 1. Spend money on enhanced training through Barnet's Learning Management System (or POD - Place of Development).<br>2. Promote information and security training.<br>3. Implement with business continuity lead action plan.<br>4. Implement recommendations from PwC audit on supply chain risk. | Same |

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**London Borough of Barnet**

# Governance, Audit, Risk Management and Standards Committee (GARMS) - 09/01/24 - 31/05/24

## Forward Work Programme

Unless otherwise shown meetings take place at:

Hendon Town Hall

The Burroughs

London NW4 4BQ

Contact: Farah Hussain

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AGENDA ITEM 11

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| Subject | Decision requested |
|---|---|
| **18 January 2024** | |
| Internal Audit Exception, Recommendations and Progress Report Q3,1st October - 31st December 2023 | |
| Grants Certification Work Report 2021/22 | |
| Update on status of 2020/21 audit | |
| SIRO Report | |
| **15 April 2024** | |
| Q3 2023-24 Corporate Risk Register | |
| Member Development Programme | |
| Annual Governance Statement and Code of Corporate Governance | |

| Subject | Decision requested |
|---|---|
| Internal Audit Exception, Recommendations and Progress Report Q4,1st January - 31st March 2024 | |
| Internal Audit & Anti-Fraud Strategy and Annual Plan 2024-25 | |
| Counter-Fraud Framework | |
| Oracle Cloud Implementation in Barnet Update | Members requested that an updated report be presented at their meeting in April 2024 which details the risk analysis that were carried out prior to Oracle Cloud going live and noted that this information would clarify why this decision was made. |
| Audit Status Report 2020/21 | |
| **1 July 2024** | |
| Q4 2023-24 Corporate Risk Register | |
| Corporate Anti-Fraud Team (CAFT) Annual Report 2023-24 | Members welcomed the work undertaken by the CAFT Team in tackling fraudulent activities and successfully prosecuting perpetrators. The Committee discussed the statistics regarding these activities and requested that information be provided on how current figures compared to the previous year. Officers advised that a report detailing this information would be brought to the Committee in June 2024. |
| **Items to be allocated** | |

| Subject | Decision requested |
|---|---|
| Risk Management Framework | |