

**MEETING**

**AUDIT COMMITTEE**

**DATE AND TIME**

**THURSDAY 28TH JANUARY, 2016**

**AT 7.00 PM**

**VENUE**

**HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BQ**

**TO: MEMBERS OF AUDIT COMMITTEE (Quorum 3)**

Chairman: Councillor Brian Salinger  
Vice Chairman: Councillor Sury Khatri

Geof Cooke  
Kathy Levine

Arjun Mitra  
Gabriel Rozenberg

Peter Zinkin

Richard Harbord  
(Independent Member)  
Geraldine Chadwick  
(Independent Member)

**Substitute Members**

Melvin Cohen  
Eva Greenspan

Anne Hutton  
John Marshall

Reema Patel  
Alan Schneiderman

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 at 10AM on 25 January. Requests must be submitted to Kirstin Lambert 020 8359 2177 [kirstin.lambert@barnet.gov.uk](mailto:kirstin.lambert@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: Kirstin Lambert 020 8359 2177 [kirstin.lambert@barnet.gov.uk](mailto:kirstin.lambert@barnet.gov.uk)  
Media Relations contact: Sue Cocker 020 8359 7039

**ASSURANCE GROUP**

## ORDER OF BUSINESS

Item No	Title of Report	Pages
1.	Minutes of last meeting	1 - 4
2.	Absence of Members (If any)	
3.	Declaration of Members' Disclosable Pecuniary interests and Non Pecuniary interests (If any)	
4.	Report of the Monitoring Officer (If any)	
5.	Public Question and Comments (If any)	
6.	Members' Items (If any)	
7.	Internal Audit Exception Recommendations Report and Progress Report up to 31st December 2015	5 - 74
8.	Corporate Anti-Fraud Team (CAFT) Progress Report Q3 October 2015 - December 2015	75 - 86
9.	Annual Audit Letter 2014/2015	87 - 98
10.	Grants Certification Work Report 2014/2015	99 - 106
11.	External Auditor Progress Report	107 - 118
12.	Audit Committee Work Programme	119 - 124
13.	Any item(s) the Chairman decides are urgent	

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## **Decisions of the Audit Committee**

5 November 2015

Members Present:-

**AGENDA ITEM 1**

Councillor Brian Salinger (Chairman)  
Councillor Sury Khatri (Vice-Chairman)

Councillor Geof Cooke  
Councillor Kathy Levine  
Councillor Arjun Mittra

Councillor Gabriel Rozenberg  
Councillor Peter Zinkin

Also in attendance

Geraldine Chadwick (Independent Member)  
Richard Harbord (Independent Member)

### **1. MINUTES OF LAST MEETING**

RESOLVED – That the minutes of the meeting held on 30 July be approved as a correct record.

### **2. ABSENCE OF MEMBERS (IF ANY)**

There was none.

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

Councillor Brian Salinger declared a non-pecuniary interest in relation to Agenda Item 7, as he is the Chairman of the Management Committee of the Pavilion Study Centre (Pupil Referral Unit).

### **4. REPORT OF THE MONITORING OFFICER (IF ANY)**

None.

### **5. PUBLIC QUESTION AND COMMENTS (IF ANY)**

None.

### **6. MEMBERS' ITEMS (IF ANY)**

None.

### **7. INTERNAL AUDIT EXCEPTION RECOMMENDATIONS REPORT AND PROGRESS REPORT UP TO 30TH SEPTEMBER 2015**

The Head of Internal Audit introduced the report.

The Committee discussed the report and asked questions on the audits that received limited assurance.

With regard to the Homecare contracts, the Community and Well-being Assistant Director agreed to confirm what guidance is followed by the delivery area for monitoring contracts at different volumes/values, and to what extent the recommendations of the previous Task and Finish Group on contract monitoring have informed the guidance material.

With regard to the deferred audit on 'IT Strategy' it was noted that there would be an update on progress at next Audit Committee.

**RESOLVED – That the Committee note the Internal Audit Exception Recommendations Report covering the period 1st July – 30 September 2015.**

**8. CORPORATE ANTI-FRAUD TEAM (CAFT) PROGRESS REPORT JULY - SEPTEMBER 2015**

The Assurance Assistant Director introduced the report.

The Committee commended the work of the CAFT officer who was recognised for having proactively pursued a benefit fraud case resulting in a successful prosecution.

**RESOLVED – That the Committee note the CAFT Progress Report covering the period 1st July – 30 September 2015.**

**9. ICT OPERATIONS - ITIL METHODOLOGY ASSESSMENT**

The Assistant Director of Finance introduced the report. The Committee discussed the report and asked questions which received responses from the Assistant Director of Finance.

The Committee noted concerns and questions raised by Councillor Geof Cooke. It was requested that responses to these questions be provided to members in advance of the Performance and Contract Management Committee on 17 November, which several Audit Committee members also sit on and would be attending. Councillor Sury Khatri noted he would bring the concerns and questions to the attention of the Chairman of Performance and Contract Management Committee, and the Deputy COO confirmed that relevant officers would be available at the Performance and Contract Management Committee meeting to respond to questions.

**RESOLVED – That the Committee note the content of the report.**

**10. EXTERNAL AUDIT PROGRESS - VERBAL UPDATE**

This item was deferred.

**11. AUDIT COMMITTEE WORK PROGRAMME**

The Head of Internal Audit noted that Barnet's Internal Audit service is currently undergoing a peer review, in line with the requirements of the Public Sector Internal Audit

Standards. It was noted that the review is being carried out by the Royal Borough of Kensington and Chelsea and Westminster City Council, and that the results would be reported in due course.

The Committee noted the forward work programme 2015-16.

**12. ANY ITEM(S) THE CHAIRMAN DECIDES ARE URGENT**

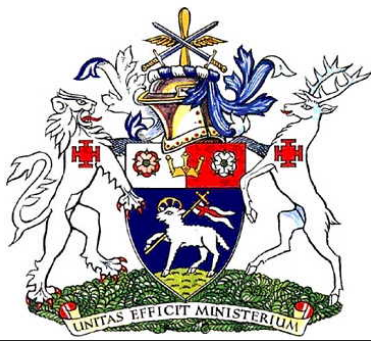
None.

The meeting finished at 8.25 pm

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AGENDA ITEM 7



**Audit Committee**  
**28<sup>th</sup> January 2016**

<b>Title</b>	<b>Internal Audit Exception Recommendations Report and Progress Report up to 31<sup>st</sup> December 2015</b>
<b>Report of</b>	Caroline Glitre – Head of Internal Audit
<b>Wards</b>	N/A
<b>Status</b>	Public
<b>Enclosures</b>	Internal Audit progress report (up to 31 <sup>st</sup> December 2015)
<b>Officer Contact Details</b>	Caroline Glitre, Head of Internal Audit <a href="mailto:caroline.glitre@barnet.gov.uk">caroline.glitre@barnet.gov.uk</a> 020 8359 3721

**Summary**

Members are asked to note the progress against internal audit recommendations and work completed to date on the Internal Audit, Corporate Anti-Fraud Team (CAFT) and Risk Management Plan 2015-16 (the Internal Audit Plan 2015-16) and high priority internal audit recommendations.

Detail has been presented within the report on audits that were given ‘No’ or ‘Limited’ assurance:

		<b>Assurance rating</b>
1	Street Scene Operations Review ( <i>Joint Internal Audit &amp; CAFT review</i> )	No Assurance
2	Better Care Fund and Section 75 (S75) agreement review	No Assurance
3	Compliance with Contract Procedure Rules (CPRs)	Limited
4	Accounts Payable	Limited
5	Client Affairs	Limited

Full copies of 'No' and 'Limited' Assurance audit reports are available on the Barnet website here:

<http://barnet.moderngov.co.uk/ecCatDisplay.aspx?sch=doc&cat=13619&path=0>

## Recommendations

**That the Committee note the work completed to date on the Internal Audit Annual Plan 2015-16 & progress against high priority recommendations.**

### **1. WHY THIS REPORT IS NEEDED**

- 1.1 The Audit Committee's role in receiving this report is to note the overall progress made against the 2015-16 Internal Audit Plan and the high priority recommendations made. In addition, the Audit Committee can inquire of Directors and Assistants Directors as to their progress against recommendations.

### **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The Audit Committee approved the Internal Audit Plan 2015-16 in April and this report notes the progress against that plan and progress against high priority recommendations.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 Not relevant.

### **4. POST DECISION IMPLEMENTATION**

- 4.1 The Internal Audit Plan 2015-16 will continue to be delivered as reported to the Audit Committee with recommendations implemented in line with the report.

### **5. IMPLICATIONS OF DECISION**

#### **5.1 Corporate Priorities and Performance**

- 5.1.1 All internal audit and risk management planned activity is aligned with the Council's objectives set out in the Corporate Plan 2015-2020, 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.

#### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 When risk, and assurances that those risks are being well managed, is analysed alongside finance and performance information it can provide management with the ability to measure value for money.

5.2.2 The Internal Audit Plan 2015-16 agreed by the Audit Committee is being achieved from Internal Audit's current budget.

### **5.3 Legal and Constitutional References**

5.3.1 There are no legal issues in the context of this report.

5.3.2 The Council's Constitution, Responsibilities for Functions - the Audit Committee terms of reference paragraph 2 states that the Committee can consider summaries of specific internal audit reports as requested.

### **5.4 Risk Management**

5.4.1 All Internal Audit activity is directed toward giving assurance about risk management within the areas examined. By so doing the aim is to help maximise the achievement of the Council's objectives. Internal Audit does this by identifying areas for improvement and agreeing actions to address the weaknesses.

5.4.2 Internal Audit work contributes to increasing awareness and understanding of risk and controls amongst managers and thus leads to improving management processes for securing more effective risk management.

### **5.5 Equalities and Diversity**

5.5.1 Effective systems of audit, internal control and corporate governance provide assurance on the effective allocation of resources and quality of service provision for the benefit of the entire community. Individual audits assess, as appropriate, the differential aspects on different groups of individuals to ensure compliance with the Council's duties under the 2010 Equality Act.

### **5.6 Consultation and Engagement**

5.6.1 N/A

## **6. BACKGROUND PAPERS**

6.1 Audit Committee 11 March 2010 (Decision Item 10) - 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%201.pdf>

6.2 Audit Committee 21 September 2010 (Decision Item 8) – 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%201.pdf>

6.3 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%201.pdf>

**Internal Audit**  
**Progress Report 2015-16 – Quarter 3**

**Caroline Glitre, Head of Internal Audit**

## Contents

1. Introduction.....	3
2. Final Reports Issued.....	3
3. Key Findings from Internal Audit Work with No or Limited assurance .....	5
4. Advisory reviews for management purposes .....	51
5. Work in progress .....	58
6. Implementation of Internal Audit recommendations .....	59
7. Internal Audit effectiveness review.....	65
8. Changes to our plan.....	66
9. Risk Management.....	66

## 1. Introduction

The Internal Audit Plan was approved by the Audit Committee on the 30th April 2015. As previously requested by the Committee, this report covers audit reports with limited or no assurance which are summarised into key messages with some detail.

## 2. Final Reports Issued

This report covers the period from 1<sup>st</sup> October 2015 to 31<sup>st</sup> December 2015 and represents an up to date picture of the work in progress to that date. The Internal Audit service has over this period issued 15 reports as final in accordance with the 2015-16 Internal Audit Plan. In summary, the assurance ratings provided were as follows:

Substantial ✓✓✓	0
Satisfactory	8
Limited	3
No	2
N/A	2
<b>Total</b>	<b>15</b>

Table 1: 2015-16 work completed during quarter 3 including assurance levels		
Systems Audits		Assurance
1	Financial Assessments	Satisfactory
2	Shared Legal Service – Clienting and Governance	Satisfactory
3	Information Security Governance review	Satisfactory
4	Client Affairs	Limited
5	Accounts Payable	Limited
6	Procurement – Contract Procedure Rules (CPR) Compliance	Limited
7	Street Scene Operations Review	No
8	Better Care Fund (BCF) and Section 75 agreement review	No
Advisory Reviews		Assurance
9	Capital Development Pipeline	N/A
10	Data Quality - Face to Face Wait Times (CS1a & CS1b)	N/A
School Audits		Assurance
11	Northgate Pupil Referral Unit (PRU)	Satisfactory
12	Mathilda Marks Kennedy	Satisfactory

13	Trent	Satisfactory
14	St Catherine's	Satisfactory
15	St Mary's CE High	Satisfactory

The summary detail of those reports issued as Limited or No assurance is included within section 3.



### 3. Key Findings from Internal Audit Work with No or Limited assurance

<b>Title</b>	<b>Street Scene Operations Review (Joint Internal Audit &amp; CAFT review)</b>
<b>Audit Opinion</b>	<b>No Assurance</b>
<b>Date of report:</b>	November 2015
<b>Background &amp; Context</b>	<p>An audit was undertaken to confirm the adequacy and effectiveness of HR, Fleet Management, Waste and Recycling, Trade Waste and depot management processes.</p> <p>Recent CAFT investigations have been undertaken of which relevant findings were included within this report where appropriate.</p>
<b>Summary of Findings</b>	<p>There are 6 priority one and 6 priority two recommendations.</p> <p>The following issues, in order of significance, were noted:</p> <p><b>1. Recruitment - Conflicts of interest.</b> Control processes to ensure the identification of personal relationships, close relatives and other potential conflicts of interest in relation to recruitment exercises were inadequate and ineffective. Instances were noted where interviewers had interviewed close relatives as defined in the Staff Code of Conduct. <b>(Priority 1)</b></p> <p><b>2. Workforce Management – Governance arrangements (Priority 1)</b></p> <ul style="list-style-type: none"> <li>○ Instances were noted where there was no evidence of documented policies / procedures governing key processes. For example, there were no formal documented policies/procedures evident for the collection of side waste, the use of fuel pumps on site and fuel key management.</li> <li>○ We found a lack of awareness of workforce policies by staff.</li> <li>○ Records of appraisals recorded on HR Core indicated that appraisers had appraised close relatives as defined in the Staff Code of Conduct (see also recommendation 1).</li> </ul>

Title	Street Scene Operations Review <i>(Joint Internal Audit &amp; CAFT review)</i>
	<ul style="list-style-type: none"> <li>○ There were a significant number of instances where records of “Return to Work” interviews with sickness details and actions were not recorded on HR Core or scanned and sent to HR for central review and scrutiny.</li> <li>○ Where staff had requested annual leave that had been refused due to a lack of alternative staff being available, we noted instances of the requesting officer then calling in sick.</li> <li>○ We found weaknesses in the record keeping of senior management approval of workforce related decisions.</li> <li>○ There was a lack of transparent approval or recording of training needs and subsequent attendance at training courses.</li> <li>○ There were inconsistencies between local HR paper files held within Street Scene and what has been recorded centrally in HR Core.</li> <li>○ Overtime payments in the Waste and Recycling Service and the overtime earned as a percentage of pay for 2 officers, potentially ‘close relatives’ as defined in the Staff Code of Conduct, were considered inappropriately high.</li> </ul> <p><b>3. Risk of illicit payments.</b> Control processes for identifying any non-compliant behaviour of waste operatives on waste collection routes were inadequate. Pro-active reviews of CCTV vehicle camera recordings were not done. In addition there was limited rotation of operatives on waste collection routes allowing the potential to develop arrangements with businesses for illicit payments. <b>(Priority 1)</b></p> <p><b>4. Trade and residential waste - Refuse vehicle tracker monitoring.</b> Control processes for identifying out of borough movements of refuse vehicles were inadequate. Pro-active reviews of related reports were not done. <b>(Priority 1)</b></p> <p><b>5. Council fleet vehicles - Mileage / fuel usage records and monitoring.</b> Mileage reporting and review processes were inadequate for identifying any misuse of council vehicles for private purposes other than travel between home and the workplace. <b>(Priority 1)</b></p>

Title	Street Scene Operations Review <i>(Joint Internal Audit &amp; CAFT review)</i>
	<p><b>6. Mill Hill depot site security</b> – The CCTV system in operation at the site was not fully operational. 8 of the 32 cameras covering the site were not working when we undertook a site visit on 2/10/2015. We were also informed that night vision was poor rendering the system ineffective in the dark. There were no arrangements for the identification of people or physical inspection of vehicles entering/leaving the site to mitigate the risk of theft or other criminal activity. <b>(Priority 1)</b></p> <p><b>7. Side waste policy</b> – We were provided with a Memo governing the process for the identification of side waste but this was not dated or subject to version control as we would have expected for a formally approved key procedure. The Memo was also not considered complete in our view as it did not define the approach for ensuring that excess waste was charged promptly. <b>(Priority 2)</b></p> <p><b>8. Policies and procedures – staff use of all Council fleet vehicles</b> The Drivers Handbook setting out the policy in relation to the personal/private use of Council fleet vehicles by staff was not clear as to when vehicles could be used for private purposes. The approach being adopted is inconsistent across the service. <b>(Priority 2)</b></p> <p><b>9. PAYE for taxable benefit from private use of Council fleet vehicles</b> - HR confirmed that Street Scene employees' PAYE calculations did not take into account the taxable benefit associated with the private use of vehicles which could lead to a potential liability to HMRC. HMRC guidance suggested that officers using vehicles for private travel between home and work are liable for PAYE on this benefit. <b>(Priority 2)</b></p> <p><b>10. Policies and procedures – staff use of all Council fleet vehicles</b> - There was no formal documented policy or procedure governing the use of the fuel pumps and fuel key operation. <b>(Priority 2)</b></p> <p><b>11. Trade Waste Market share</b> - The methodology for the calculation of the Council's share of the trade waste market being 30% was considered suitable. However, the percentage was considered low when compared to other boroughs and we were informed that there were plans to embed a process to improve market share involving Enforcement officers. <b>(Priority 2)</b></p>

Title		Street Scene Operations Review <i>(Joint Internal Audit &amp; CAFT review)</i>	
		<p><b>12. Trade Waste Invoicing Follow-up</b> – The follow-up of a recommendation made in March 2015 was considered partly implemented. Our sample test confirmed that there were no errors within our sample but records of checks to ensure the accuracy of invoices in line with agreements were not retained for referral as per the original recommendation. <b>(Priority 2)</b></p>	
Priority 1 recommendations, management responses and agreed action dates			
1. Recruitment - conflicts of interest			
Recommendation	Management Response	Responsible Officer	Deadline
a) CSG HR officers should review returned job application forms to identify, communicate and address any interest or close relatives declared on application forms. The action should ensure that the interview and evaluation panel is structured to ensure an unbiased objective assessment of the candidate for the role in line with the Employment of Relatives policy paragraph 2.1.	a. Agreed. This requires the introduction of a new process which CSG will introduce and pilot for a 2 year period. During that time the impact of the additional control will be monitored and the results after the pilot will be brought back to Audit Committee.	Human Resources Director Customer and Support Group(Capita)	February 2016
b) The Staff Code of Conduct should be updated to require officers involved in the interview, evaluation and selection of candidates to formally complete a recruitment declaration of interest form, for example in relation to “close	b. Agreed. The wording within the Code of Conduct will also be clarified around relationships.	Human Resources Director Customer and Support Group(Capita)	February 2016

Title	Street Scene Operations Review (Joint Internal Audit & CAFT review)		
<p>relatives” as defined, similar to the requirement at paragraph 9.10 of the Code of Conduct to complete a procurement declaration of interest form at the start of each procurement exercise.</p>			
<p>c) The recruitment declaration of interest form should formally record/confirm the existence or non-existence of conflicts which could compromise objective selection of a candidate, for example, where the candidate is a “close relative” as defined. This would prevent the lack of awareness of policy being raised as a defence for not declaring interests where necessary.</p>	<p>c. Agreed.</p>	<p>Human Resources Director Customer and Support Group(Capita)</p>	<p>February 2016</p>
<p>d) The relevant Assistant Director / Director should sign off the declaration as evidence of appropriate review.</p>	<p>d. Agreed. HR to devise a summary recruitment form which includes names of the members of the interview panel, declaration of no conflict of interest, who has been appointed and rejected. Reason for rejection to be included. Where a relationship has been declared the Director should sign off the declaration as evidence of appropriate review. The completed signed form to be scanned and sent to HR in Belfast.</p>	<p>Human Resources Director Customer and Support Group(Capita)</p>	<p>February 2016</p>

Title		Street Scene Operations Review (Joint Internal Audit & CAFT review)	
2. Workforce Management – Governance Arrangements			
Recommendation	Management Response	Responsible Officer	Deadline
a) Policies and procedures governing key processes should be formally documented and communicated.	a. Agreed.	Human Resources Director Customer Support (Capita) and Group	February 2016
b) Governance arrangements for Workforce Management in Street Scene should be reviewed and approval sought from the Workforce Board for the documented changes, for example, to ensure that appraisals and overtime authorisations are not undertaken by management who are close relatives of the relevant officer.	b. Agreed. Governance arrangements will be reviewed to ensure that, alongside recommendation 1 above, proper protocols are in place.	Street Scene Director	March 2016
c) All sickness should be recorded in Core and records of return to work interviews and related issues should be recorded in HR Core after each period of absence. Where this is not possible a corporate Return to Work form should be completed, scanned and sent to HR to be held on the employee's file.	c. Agreed. Return to work interviews will be recorded by scanning in copies of employer / employee signed returns for centrally held CSG HR records.	Street Scene Director	December 2015

Title	Street Scene Operations Review <i>(Joint Internal Audit &amp; CAFT review)</i>		
d) For workforce related decisions, records of approval for example, to attend training that could lead to an enhanced salary, should be retained for referral.	d. Agreed. HR will devise a corporate form which includes the workforce related decision, to record approval to attend training that could lead to an enhanced salary, and is counter signed by a Director or Assistant Director where there could be a conflict of interest. HR will update and amend the Post-Entry Training guidance to reflect this requirement.	Human Resources Director Customer and Support Group (Capita)	February 2016
e) Documented training needs assessments should be undertaken prior to officers attending training courses.	e. Agreed. Documented training needs assessments will be included on the HR Form as detailed in (d) above and should be undertaken prior to officers attending training courses and documented in mid-year and final year Appraisals.	Human Resources Director Customer and Support Group (Capita)	February 2016
f) A review of HR Records Management in Street Scene should be undertaken and local HR records held by Street Scene should be scanned and held centrally by CSG HR to avoid unnecessary duplication, inconsistency or lack of appropriate records.	f. Agreed. HR records will no longer be retained locally. Street Scene will scan the documents currently held locally and will provide them to CSG HR for retention on the appropriate employee files to enable timely access and retrieval of these documents as and when required.	Street Scene Director and Human Resources Director Customer and Support Group (Capita)	March 2016
g) The approach / policy for allowing overtime should be reviewed, updated	g. Agreed.	Human Resources Director	February 2016

Title		Street Scene Operations Review (Joint Internal Audit & CAFT review)	
	and communicated where necessary to ensure that it is only used in the appropriate circumstances where work genuinely required cannot be done during normal work hours.		Customer and Support Group (Capita)
h)	Instances where a period of sickness absence was taken after a request for annual leave was refused should be recorded as part of the Return to Work interview process and investigated further by line management as appropriate.	h. Agreed. The Return to work form and revised Sickness Policy will include reference to instances where a period of sickness absence was taken after a request for annual leave was refused and the need for this to be investigated further by line management as appropriate.	Human Resources Director Customer and Support Group (Capita) Return to Work form - February 2016 Sickness Policy - October 2016 (current estimate, dependent on Unified Reward)
<b>3. Risk of Illicit Payments - Vehicle CCTV monitoring / Route rotation</b>			
Recommendation	Management Response	Responsible Officer	Deadline
a)	A process should be introduced and documented to review camera recordings pro-actively on a sample basis to ensure that cameras are operating correctly at all times and to identify non-compliant behaviour, such as accepting amounts for private collections from businesses with whom the Council does	a) Agreed – A process for correct positioning of cameras is already underway. A matrix of risk-assessed intelligent sampling will be introduced to ensure compliant operations.	Street Scene Director March 2016



Title		Street Scene Operations Review (Joint Internal Audit & CAFT review)		
not have trade waste agreements or for identifying non-attendance at work.				
b) The 'Data Protection Council Vehicle Mounted CCTV, Vehicle Tracking and Electronic Data Management Systems Policy' should be updated, in conjunction with the Council's Data Protection team, to facilitate the use of such pro-active monitoring.		b) Agreed - The council's policy will be refreshed, consulted and communicated.	Head of Business Improvement and Contract Management	March 2016
c) The procedure should also emphasize the implications of such misconduct and should be communicated to all refuse collection operatives as a deterrent to such misconduct.		c) Agreed – The policy will clearly reference the Council's conduct procedure as a deterrent.	Head of Business Improvement and Contract Management	March 2016
d) Waste collection operatives should be rotated between collection crews periodically to prevent the development of rogue relationships with businesses on routes.		d) Agreed – A process for rotating waste collection operatives will be undertaken which ensures a balance between good customer service, knowledge of rounds and bin locations, as well as ensuring the prevention of rogue relationships.	Waste & Recycling Manager	February 2016
<b>4. Refuse vehicle tracker monitoring</b>				
<b>Recommendation</b>		<b>Management Response</b>	<b>Responsible Officer</b>	<b>Deadline</b>

Title		Street Scene Operations Review (Joint Internal Audit & CAFT review)		
a) A process should be introduced and documented to pro-actively review vehicle tracker output reports on a sample basis to ensure that tracking systems remain on/operational at all times and to identify and challenge potential non-compliant behaviour, such as leaving designated routes without authorisation.	a) Agreed – Tracker output reports will be produced on a regular basis to identify and challenge non-compliance. This will be documented and communicated.	Head of Business Improvement and Contract Management / Supervisors	January 2016	
b) The vehicle tracker reports and vehicle CCTV camera recordings should be used together to optimise pro-active monitoring of movements.	b) Agreed – Ref 3a above, risk-assessed intelligent sampling will be utilised alongside tracker output reports to pro-actively review vehicle movements.	Heads of Service / Supervisors	March 2016	
c) The procedure should also emphasize the implications of inappropriate conduct and should be communicated to all operatives as a deterrent to such unauthorised operation.	c) Agreed – The revised procedure will clearly reference the Council’s conduct procedure as a deterrent.	Head of Business Improvement and Contract Management	March 2016	
<b>5. Mileage / fuel usage records and monitoring</b>				
<b>Recommendation</b>	<b>Management Response</b>	<b>Responsible Officer</b>	<b>Deadline</b>	
The Delivery Unit should investigate the viability	Agreed - Tracking devices are fitted to the	Head of Business	January 2016	

Title		Street Scene Operations Review (Joint Internal Audit & CAFT review)		
of fitting vans with trackers for a precise record of vehicle movements to allow for the more effective monitoring of private misuse of vehicles.  Alternatively, arrangements should be introduced for more specific monitoring - on a random basis - of vehicle travel over controllable periods, reconciled to odometer readings and known distances between home and work to identify and challenge for gaps/discrepancies.	majority of council vehicles and will be fitted to all council vehicles inclusive of vans. There is an exception where vehicles are hired on a short term basis and fitting of trackers would not be financially viable. Vehicle mileages will also be monitored to ensure they are reconciled to known averages by type.	Improvement and Contract Management / Heads of Service		
<b>6. Risk Management (CCTV and Mill Hill depot site security)</b>				
Recommendation	Management Response	Responsible Officer	Deadline	
a) The implementation of a fit for purpose CCTV system should be investigated as part of the move to the new site, planned in December 2016.	(a) Agreed. This requirement is part of the specification for the new site.	Head of Corporate Programmes, CSG	Implemented	
b) In the interim, the broken cameras should be repaired immediately to ensure that the entire site is visible during the day.	(b) Full repairs to the inoperable cameras have been scheduled to take place on 26th and 27th November 2015. This will also include a service to the DVR reader and monitor.	Acting Facilities Manager CAPITA Customer and Support Group	27/11/2015	
c) Security processes such as maintaining a physical presence at the fuel pump should be implemented in line with risks,	(c) It has now been implemented that Security carry out spot checks at the diesel pump to reduce risk of theft. This will be at sporadic	Acting Facilities Manager CAPITA Customer and	Implemented on 18/11/2015 and will	

Title	Street Scene Operations Review <i>(Joint Internal Audit &amp; CAFT review)</i>			
<p>for example the increased risk of theft of fuel when the pump is hidden from CCTV cameras by vehicles or not visible via CCTV due to poor light.</p>	<p>times including when the pump is not visible from the gatehouse.</p> <p>Security have increased their hourly patrols to every 30 minutes to improve visibility and to act as a deterrent. Just to add, the patrols that are carried out at night cover the whole Mill Hill Depot site and allow security to visit areas that are not clearly visible on camera.</p>	<p>Support Group</p>	<p>continue.</p> <p>Has been in operation since May 2012. Increased patrols from 18/11/2015</p>	
<p>d) Spot checks of people and vehicles entering and leaving the site should be introduced as should increased site patrols.</p>	<p>(d) Security will continue to carryout spot checks on site which will involve checking of visitors to the site. If ID is not displayed or supplied upon request then contact will be made with Service Managers. Security to be informed of any visitors prior to the visit.</p> <p>Spot checks will be undertaken on/in vehicles entering and leaving the site, for example, to identify illegal substances being brought on site or the theft of items being taken off-site.</p>	<p>Acting Facilities Manager CAPITA Customer and Support Group</p>	<p>Implemented on 18/11/2015 and will continue.</p> <p>23/11/2015</p>	

<b>Title</b>	<b>Better Care Fund (BCF) and Section 75 (S75) agreement review</b>
<b>Audit Opinion</b>	<b>No Assurance</b>
<b>Date of report:</b>	December 2015
<b>Background &amp; Context</b>	<p>The Better Care Fund aims to deliver better, more joined-up local services to older people (55 and above) with long term conditions to care for them in the community, keep them out of hospital and avoid where appropriate unnecessary hospital stays.</p> <p>From April 2015, the Department of Health required London Borough of Barnet (LBB) and NHS Barnet Clinical Commissioning Group (CCG) to enter into a pooled budget for the delivery of the schemes of work in the Barnet BCF Plan approved by NHS England on 6 February 2015.</p> <p>Clinical Commissioning Groups (CCGs) are NHS organisations set up by the Health and Social Care Act 2012 to organise the delivery of NHS services.</p> <p>Section 75 (S75) agreements are set up in terms of Section 75 of the NHS Act 2006 to facilitate the pooling of budgets/contributions and to govern the delivery of related initiatives by Councils and CCGs in partnership.</p> <p>For BCF, the terms had been agreed through the Council’s Policy and Resources Committee in March 2015 and by the CCG’s Audit Committee in April 2015 although the agreement itself had not yet been signed at the time of issuing this report. Within the agreement the Council is the host/lead partner. The Council and CCG budgets, totalling £23.4m for 2015/16, are currently aligned and not ‘pooled’ as defined. Aligned budgets involve two or more partners working together to jointly consider their budgets and align their activities to deliver agreed aims and outcomes, while retaining complete accountability and responsibility for their own resources. As the budgets are not pooled each partner is responsible for monitoring its own budget. The Council is therefore only responsible for monitoring expenditure for the Council component of the Council/CCG integrated/aligned activities.</p>

Title	Better Care Fund (BCF) and Section 75 (S75) agreement review
	<p>The Council component of the BCF S75 budgets is overseen by the LBB Head of Finance who attends the Health and Well Being Board Finance Group which includes Council/CCG senior officers and is assuming responsibility for monitoring overall delivery of the BCF and other S75 agreements, for example Equipment.</p> <p>The scope of the audit, agreed by the Strategic Director for Commissioning on 5 August 2015, was as follows:</p> <p><u>Better Care Fund (BCF)</u></p> <ol style="list-style-type: none"> <li>1. Whether the decisions of the March 2015 Policy &amp; Resources Committee have been implemented in respect of the BCF (including looking at readiness of internal arrangements within LBB / Scheme of Delegation) and if not why.</li> </ol> <p><u>Existing Section 75 (S75) agreements</u></p> <ol style="list-style-type: none"> <li>2. Whether for existing S75 Agreements there are named Pooled Budget managers; appropriate audits of pooled budget and inclusion in statement of accounts in line with CIPFA guidance and statutory requirements.</li> <li>3. Whether existing S75 agreements are signed, schedules updated to reflect this financial year.</li> <li>4. Whether appropriate governance and reporting arrangements are in place in line with the legal agreements.</li> <li>5. Whether our schemes of delegation include S75 agreements.</li> </ol> <p>We reviewed the following eight S75 agreements:</p> <ol style="list-style-type: none"> <li>1. <b>Mental Health service provision</b> (Barnet, Enfield and Haringey Mental Health Trust (BEHMHT) /LBB) (£9.8m total aligned budget)</li> </ol> <p><b>Overarching Agreement – Children (CCG / LBB) and the related Children’s Joint Commissioning Memorandum of Understanding (MoU) Partnership Agreement</b></p> <ol style="list-style-type: none"> <li>2. Occupational Therapy (£401k total pool)</li> </ol>

Title	Better Care Fund (BCF) and Section 75 (S75) agreement review
	<p>3. Speech &amp; Language Therapy (£2m total pool)</p> <p>4. Looked After Children (£132k total pool)</p> <p><b>Overarching Agreement – Health &amp; Social Care (Adults) (CCG / LBB)</b></p> <p>5. Equipment (approximately £3.8m spend)</p> <p>6. Learning Disability commissioning (£2.98m total pool)</p> <p>7. Learning Disability Campus Reprovision (£1.71m total pool)</p> <p>8. Voluntary Services Prevention Commissioning (£2.5m total pool)</p> <p>The combined total pool across these eight S75 agreements is circa £23.3m. Once signed, the BCF S75 agreement would be another schedule to the Overarching Agreement for Health &amp; Social Care (Adults) and would represent a further pool of £23.4m for 2015/16 alone.</p> <p>We were also provided with the S75 Older People Integrated Care Service (OPIC) agreement which had expired 30 June 2014 but we found that it referred to contributions by Council/CCG of £883k both in 2014-15 and 2015-16.</p> <p><u>Audit work</u></p> <p>We reviewed the S75 agreements and schedules provided to us against the Healthcare Financial Management Association (HFMA) / Chartered Institute of Public Finance Accountancy (CIPFA) guidance, 'Pooled Budgets and the Better Care Fund' (October 2014) for a consistent approach to development and format.</p>

Title	Better Care Fund (BCF) and Section 75 (S75) agreement review
<p><b>Summary of Findings</b></p>	<p><u>We noted 1 critical*, 8 high priority and 1 advisory* recommendation.</u></p> <p>* We are trialling a new Internal Audit report format which we plan to introduce as standard from April 2016. The Better Care Fund / S75 audit report was produced in the first iteration of the proposed new template and included 5 different possible priority ratings instead of 3, with new ratings added of 'Critical' (highest priority) and 'Advisory' (lowest priority).</p> <p><u>Better Care Fund</u></p> <p><b>1. BCF governance and decision making (Critical)</b> - The decision of the Policy and Resources Committee 25 March 2015 to arrange a pooled budget between the Council/Barnet CCG has not been implemented owing to:</p> <ul style="list-style-type: none"> <li>- The CCG does not currently recognise the Health and Well Being Board Financial Planning subgroup (FG) in its Scheme of Delegation as a decision-making body in its own right.</li> <li>- The CCG officers attending the FG, responsible for monitoring delivery of the BCF, do not have delegated authority to make decisions on behalf of the CCG on the BCF within the existing CCG Scheme of Delegation (SoD).</li> <li>- CCG officers attending the FG were required to wait until a review of the scheme of delegation in the CCG was complete until authority could be given to implement the pooled budget. The review started in August 2015 and completed in November 2015.</li> </ul> <p><u>Section 75 agreements</u></p> <p><b>2. Section 75 Agreement formalities (High)</b> 5 of the 8 S75 agreements and the Children's MoU provided to us for review were not signed and dated to formally bind all parties to the envisaged processes/terms of the agreement.</p> <p><b>3. Pooled fund / budget (High)</b> Pooled fund managers were not evident within 5 of the 8 S75 agreements we reviewed.</p>



Title	Better Care Fund (BCF) and Section 75 (S75) agreement review
	<p><b>4. Pooled fund reporting and governance structure (Financial and performance) (High)</b>  Governance structures were not clearly stated in 6 of the 8 S75 agreements. Financial reporting requirements were not specified in one S75 agreement we reviewed where these were clear from the stated operation of the agreement. Non-financial reporting requirements were out of date in two other agreements and did not specify targets for locally defined outcomes in one S75 agreement.</p> <p><b>5. Performance / pooled budget monitoring (High)</b>  Governance structures as defined in S75 agreements for the review, scrutiny and challenge of deliverables had been fully implemented as intended for only 1 of the 8 S75 agreements reviewed, the S75 Mental Health service agreement.</p> <p><b>6. Schemes of Delegation (High)</b>  Only the Adults and Health Scheme of Delegation (SoD) delegated Council functions required for the operation of S75 agreements to NHS staff; the Children’s SoD did not. All Schemes of Delegation were in draft form at the date of the report and we understand from Governance officers that this area of development is still a work in progress due to be completed shortly.</p> <p><b>7. Statement of Accounts (High)</b>  Financial information for 1 of the S75 agreements, Looked After Children, was not included in the Council’s Statement of Accounts at 31 March 2015 where the agreement provided started in April 2014 and specified Council and CCG pooled contributions for 2014-15. The S75 Schedule referred to CCG and Council contributions of £91,103 and £40,838 respectively totalling £131,941 for 2014-15.</p> <p><b>8. Training and Development (High)</b>  In light of the far reaching audit findings, the need for training and development was identified - focussed on raising awareness on the development, implementation, legal status, financial pooling and governance for Section 75 agreements, including the Better Care Fund (BCF) and general Council/Health partnering outcomes/processes.</p>

Title		Better Care Fund (BCF) and Section 75 (S75) agreement review		
		<p><b>9. S75 control self-assessment (High)</b> In the light of the far reaching audit findings the need for a more formal and ongoing self-assessment of the effectiveness of Section 75 control arrangements was identified.</p> <p><b>10. Format of S75 Agreements (Advisory)</b> Overall, for governance purposes, of the 8 S75 agreements reviewed those for the Learning Disability, and Mental Health Service provision, in our view, represented the best baseline template for future S75 agreements as they included:</p> <ol style="list-style-type: none"> <li>1. detailed terms of references for the relevant operational governing body, the Learning Disabilities Partnership Management Group (LDPMG) and the Mental Health Partnership Management Group.</li> <li>2. a detailed Service specification / Aims and objectives schedule supported by performance outcomes and a milestones plan.</li> <li>3. clear reporting lines to the Health and Well Being Board which is the Constitutional body for the strategic oversight of delivery.</li> </ol>		
Priority 1 recommendations, management responses and agreed action dates				
1. BCF governance and decision making				
Recommendation	Management Response	Responsible Officer	Deadline	
The Council and CCG should review and revise the terms of reference (ToR) of the Health & Well-Being Board Financial Planning Sub-Group to ensure that both organisations have, within existing committee structures or schemes of delegated authority, capacity to give effect to	<p>The ToR for the HWBB Finance Group were agreed between the CCG and Council on 15<sup>th</sup> December 2015 and will be reported to the Health and Wellbeing Board on 21<sup>st</sup> January 2016.</p> <p>The CCG has completed its review of schemes of</p>	<p>Commissioning Director - Adults and Health</p> <p>Head of Governance</p>	24 <sup>th</sup> December 2015 and 11 <sup>th</sup> January 2016.	

Title		Better Care Fund (BCF) and Section 75 (S75) agreement review	
<p>BCF decisions required as a result of the on-going monitoring / oversight of the Sub-Group.</p> <p>The CCG should prioritise making the necessary delegations to enable the relevant Chief Officers to give effect to the final BCF agreement as per the decision of the Policy &amp; Resources Committee on 25 March 2015 so that budgets can be effectively pooled to maximise the benefits of the BCF.</p>	<p>delegation on 23 November.</p> <p>At the CCG Governing Body meeting in public of 26<sup>th</sup> November, agreement was secured that the CCG would agree the BCF Schedule and Deed of Variation before 24th December, under Chairs action by the Chair of the CCG Audit Committee. The CCG have agreed to sign the Deed of Variation. This is due to take place on 22<sup>nd</sup> December 2015, meaning that it can be sealed by LBB at the beginning of January 2016.</p> <p>LBB Governance to engage and advise as necessary.</p>	<p>Joint Chief Operating Officer, CCG</p> <p>Associate Director of Governance, CCG</p>	
<b>2. Section 75 agreement formalities</b>			
<p><b>Recommendation</b></p> <p>Section 75 Agreement Schedules - defining the pooling and governance arrangements unique/specific to the S75 initiative - should be prepared for each S75 initiative as addendums to the overarching agreement.</p> <p>All S75 Agreements/Schedules and Variations held by the relevant officers should be:</p> <ul style="list-style-type: none"> <li>- up to date</li> <li>- dated and</li> </ul>	<p><b>Management Response</b></p> <p><b><u>Adults and Health Section 75 agreements</u></b></p> <p>1. A schedule of required actions by each S75, for both documentation and governance, has been prepared and sets out the specific requirements for each S75. A named officer has been allocated responsibility for completing each of these actions.</p> <p>2. A timetable will be agreed between LBB and</p>	<p><b>Responsible Officer</b></p> <p><b><u>Adults and Health</u></b></p> <p>1 and 3: Heads of Joint Commissioning, Barnet CCG and LBB</p> <p>2 and 4: Adults Wellbeing Strategic Lead,</p>	<p><b>Deadline</b></p> <p>1 February 2016</p>

Title	Better Care Fund (BCF) and Section 75 (S75) agreement review		
<p>signed by both partners, the Council/CCG.</p> <p>The revised S75 agreements should go to the appropriate Committee as advised by Governance.</p>	<p>BCCG to implement each of the existing agreements as a schedule to the signed overarching Section 75 agreement for CCG/LBB Health and Adult Social Care. This will then be implemented according to the agreed timetable.</p> <p>3. Progress reports will be made to the HWB FG and through them, the HWBB.</p> <p>4. The HWB FG will undertake an annual review and re-confirm the financial position and legal aspects/formalities, for example agreement sign-off, clear definitions of governance and roles and responsibilities, reporting arrangements, up to date agreements and variation sign-off, as necessary of each schedule.</p> <p>5. A lead officer will be responsible for ensuring all adult care and health S75s and schedules are maintained correctly and co-ordinating the work of the officers named in the detailed schedule of actions by each S75 agreement.</p> <p><b><u>Children's Section 75 agreements</u></b></p> <p>We agree to take the same action as identified above for the Adults &amp; Health S75 agreements. In recognition of the issue around documentation, a</p>	<p>Commissioning Director</p> <p>Director of Operations and Delivery, CCG</p> <p><b><u>Children's Section 75 agreements</u></b></p> <p>Commissioning Director - Children &amp;</p>	

Title		Better Care Fund (BCF) and Section 75 (S75) agreement review		
		named officer, the Health & Wellbeing Commissioning Lead, will be responsible for all schedules and variations alongside any monitoring and review reports.	Young People  Head of Joint Children's Commissioning, Barnet Clinical Commissioning Group and Barnet Council  Health & Wellbeing Commissioning Lead	
<b>3. Pooled fund / budget</b>				
<b>Recommendation</b>	<b>Management Response</b>	<b>Responsible Officer</b>	<b>Deadline</b>	
The roles and names of the nominated pooled fund managers at the Council/CCG should be specified in all S75 Agreements. Changes should be specified in S75 contract variation schedules.	<p><b><u>Adults and Health section 75 agreements</u></b></p> <p>We have agreed a detailed action plan for each S75 agreement and will monitor progress against this plan.</p> <p><b><u>Children's Section 75 agreements</u></b></p> <p>Refer to Recommendation 2 above.</p>	<p>Heads of Joint Commissioning, Barnet CCG and LBB</p> <p>Commissioning Director - Children &amp; Young People</p> <p>Head of Joint Children's Commissioning Barnet CCG and Barnet Council</p>	1 February 2016	

Title		Better Care Fund (BCF) and Section 75 (S75) agreement review	
<b>1. Pooled fund reporting and governance structure (Financial and performance)</b>			
Recommendation	Management Response	Responsible Officer	Deadline
<p>All S75 agreements should follow a similar format to serve as a comprehensive baseline for S75 governance and reporting, aiming to be as specific as possible about the financial and non-financial information to be submitted for review.</p> <p>Future S75 agreements should all have addendum Schedules which should set out the Terms of Reference for the Board/Group/Committee responsible for review, scrutiny and challenge of performance and financial information for that S75 agreement.</p> <p>Overarching S75 agreements should be updated to reflect current roles, for example, not referring to the Director of People.</p> <p>Agreement Schedules should aim to define specific reporting requirements where appropriate for the S75 agreement, for example for the Looked After Children agreement the reporting of invoices charged to the Council for services under the agreement.</p> <p>All S75 agreements should define the reporting</p>	<p><b><u>Adults and Health section 75 agreements</u></b></p> <p>We have agreed a detailed action plan for each S75 agreement and will monitor progress against this plan.</p> <p>The terms of reference for the HWB Finance Group will be added to each agreement. Each agreement will refer to the HWB FG ToR.</p> <p>The revised terms of reference of the HWBB FG will list the S75s the group will address.</p> <p><b><u>Children's Section 75 agreements</u></b></p> <p>Refer to Recommendation 2 above.</p>	<p><b><u>Adults and Health section 75 agreements</u></b></p> <p>Heads of Joint Commissioning, Barnet CCG and LBB</p> <p>Adults Social Care Assistant Director</p> <p><b><u>Children's Section 75 agreements</u></b></p> <p>Commissioning Director - Children &amp; Young People</p> <p>Head of Joint Children's Commissioning, Barnet Clinical Commissioning Group and Barnet Council</p>	<p>1 February 2016</p>

Title		Better Care Fund (BCF) and Section 75 (S75) agreement review	
line to the Health and Well Being Board.			
<p>All S75 agreements should include up to date Business Plans with related outcomes and milestone / performance measures and targets for referral.</p> <p>Any changes to S75 agreements/schedules should be subject to formal variation agreements.</p> <p>A repository should retain a complete chronological history of the agreements and variations and related DPRs from inception of the S75 agreement to date.</p> <p><b>Note:</b> when taking Recommendation 4 forward please consider Recommendation 10 (Advisory)</p>			
<b>4. Performance monitoring (implementation of S75 agreement structures)</b>			
<b>Recommendation</b>	<b>Management Response</b>	<b>Responsible Officer</b>	<b>Deadline</b>
The review, scrutiny and challenge of S75 agreement deliverables at an operational and strategic level should be undertaken. Evidence of scrutiny, for example minutes of meetings,	<p><b><u>Adults and Health section 75 agreements</u></b></p> <p>1. We have agreed a detailed action plan for each S75 agreement and will monitor progress against this plan.</p>	1 & 2. As per detailed Action Plan for each S75 agreement	1 February 2016

Better Care Fund (BCF) and Section 75 (S75) agreement review			
<p>should be retained for referral.</p> <p>The Health and Well Being Board should consider incorporating S75 agreement reviews into their annual work plan to encourage an appropriate level of scrutiny and discussion of the agreements</p>	<p>2. Reports on each S75 will be made to the HWB FG with each S75 (and in future schedule) being reviewed quarterly.</p> <p>3. An annual report on each S75 (and in future the overarching S75 and all schedules) will be included in the forward work programme of the HWB</p> <p><b><u>Children's Section 75 agreements</u></b></p> <p>Refer to Recommendation 2 above.</p>	<p>3. Adults Wellbeing Strategic Lead Commissioning Group</p> <p><b><u>Children's Section 75 agreements</u></b></p> <p>Commissioning Director - Children &amp; Young People</p> <p>Head of Joint Children's Commissioning Barnet Clinical Commissioning Group and Barnet Council</p>	
<b>5. Schemes of Delegation</b>			
<b>Recommendation</b>	<b>Management Response</b>	<b>Responsible Officer</b>	<b>Deadline</b>
Council Schemes of Delegation should be finalised and should formally delegate authority	The Schemes of Delegation will be finalised incorporating appropriate reference to S75	Head of Governance	31 January 2016



Title		Better Care Fund (BCF) and Section 75 (S75) agreement review	
to Health officers to undertake agreed Council functions required for the successful operation of S75 agreements.	agreements, as well as any findings from the separate audit of Schemes of Delegation that is currently in progress.		
<b>6. Statement of Accounts</b>			
<b>Recommendation</b>	<b>Management Response</b>	<b>Responsible Officer</b>	<b>Deadline</b>
Council contacts for S75 agreements should work together with CSG Finance to ensure that all S75 agreements are included in the annual Statement of Accounts where applicable.	A full consultation and reconciliation will take place between both the Adults and Children's DU and Commissioners and Governance to confirm that all Section 75 agreements are accurately captured in the statement of accounts.	Director of Resources  Assistant Director of Finance, Customer and Support Group (CSG)	31 <sup>st</sup> May 2016
<b>7. Training and development</b>			
<b>Recommendation</b>	<b>Management Response</b>	<b>Responsible Officer</b>	<b>Deadline</b>
The specific training needs of officers responsible for BCF and S75 development delivery and governance should be identified and addressed, for example at the HWB Finance Group and through the standard HR appraisal and supervision processes. A learning event should be arranged involving appropriate officers within the Commissioning Group, Governance, Finance and HB Public Law.	We will identify the relevant responsible officers and monitor / ensure that training and development needs have been addressed through the appropriate channels.	Commissioning Director - Adults and Health  Commissioning Director - Children & Young People  Director of Resources	1 February 2016
<b>8. S75 control self-assessment</b>			

Better Care Fund (BCF) and Section 75 (S75) agreement review			
<b>Recommendation</b>	<b>Management Response</b>	<b>Responsible Officer</b>	<b>Deadline</b>
A detailed annual review of the effectiveness of the control environment around S75 arrangements, which can be relied upon to inform the Council's Annual Governance Statement, should be introduced. This should include the creation of an action plan to address any issues identified by the annual review.	Agreed.	Adults Wellbeing Strategic Lead, Commissioning Group  Health & Wellbeing Commissioning Lead	30 April 2016 and then annually

Compliance with Contract Procedure Rules (CPRs)	
<b>Audit Opinion</b>	<b>Limited Assurance</b>
<b>Date of report:</b>	November 2015
<b>Background &amp; Context</b>	<p>Public procurement is the process whereby public sector organisations acquire goods, services and construction works from third parties.</p> <p>The Customer Support Group (CSG) Procurement Team are engaged with and oversee procurement processes, on behalf of the Council, end to end i.e. from when commissioning requirements and objectives are considered by Delivery Units (DUs) until contract award.</p> <p>Procurement is currently governed by the Council's Contract Procedure Rules (CPR) – 2015 which are part of the Council's Constitution and are aligned to European Union (EU) Regulations. The aim of CPR is to ensure value for</p>

Title	Compliance with Contract Procedure Rules (CPRs)
	<p>money in the spending of public money and the delivery of high quality services in a timely and legitimate manner.</p> <p>Our audit work involved:</p> <ul style="list-style-type: none"> <li>- interviews confirming and corroborating processes with procurement officers in CSG Procurement and procurement lead officers within the Adults and Communities, Family Services, Education and Skills, Street Scene and Re delivery units;</li> <li>- confirming procurement processes and related documentation with contract managers and other Delivery Unit officers involved in procurement exercises; and</li> <li>- testing whether spend with a sample of vendors from 2012/13 onwards, selected from Integra vendor spend analysis reports provided by CSG Procurement, was CPR compliant.</li> </ul>
<p><b>Summary of Findings</b></p>	<p>There are three priority 1 and seven priority 2 recommendations.</p> <ul style="list-style-type: none"> <li>- <b>Contract Registers</b> – Delivery Unit contract registers did not reflect all contractual relationships exceeding £5k in line with the requirements of the CPR. Responsibility for the maintenance of this level of contract register rests with Delivery Units. <b>(Priority 1)</b></li> <li>- <b>Conflicts of Interest</b> – Procurement declaration of pecuniary interest forms were not completed at the start of each procurement exercise in line with the Officer Code of Conduct. <b>(Priority 1)</b></li> <li>- <b>Vendor creation and approval</b> – We noted 6 out of 25 instances where vendors were created in Integra without the approval of CSG Procurement officers. Our expectation is that a vendor should not be created in Integra without prior scrutiny, challenge and endorsement by central CSG Procurement. <b>(Priority 1)</b></li> </ul> <p>The following other issues were noted:</p> <ul style="list-style-type: none"> <li>- <b>Procurement method - CPR compliance</b> - We noted 4 out of 34 instances of vendor spend exceeding CPR £10k thresholds without evidence of the required quotation exercise. <b>(Priority 2)</b></li> </ul>

Title	Compliance with Contract Procedure Rules (CPRs)		
	<ul style="list-style-type: none"> <li>- <b>Procurement method - waivers</b> – The detailed e-mail audit trails of the Legal clearance and reasoning/assessment around the legality of waivers were not consistently retained by Delivery Units for referral and scrutiny where necessary. <b>(Priority 2)</b></li> <li>- <b>Training</b> – The Re procurement lead and her manager had not attended CSG Procurement training. It is expected that all officers with a procurement role, including external Delivery Units procuring on the Council’s behalf, should attend training on Council procurement processes. <b>(Priority 2)</b></li> <li>- <b>Contract repository and procurement documentation</b> – We were unable to identify key procurement documentation, for example contracts and DPRs, in the contract repository/folders for 4 of our sample of 30 vendors evident on the spend analysis provided by CSG Procurement. <b>(Priority 2)</b></li> <li>- <b>Authorisation and acceptance of procurements</b> – DPRs for the award/acceptance of 2 vendors out of 19 tested were not found. <b>(Priority 2)</b></li> <li>- <b>Contract and contract value limits</b> – Contract details such as the contract reference, contract value and contract term, were not consistently reflected in Integra for referral where necessary <b>(Priority 2)</b></li> <li>- <b>Transparency Code</b> – The quarter 1 data set “Barnet Contracts Register Q1 2015-16” published on the Council’s website did not include all contractual relationships above £5k as required by the Council’s Transparency Policy. <b>(Priority 2)</b></li> </ul>		
<b>Priority 1 recommendations, management responses and agreed action dates</b>			
<b>1. Contracts Register</b>			
<b>Recommendation</b>	<b>Management Response</b>	<b>Responsible Officer</b>	<b>Deadline</b>

Title	Compliance with Contract Procedure Rules (CPRs)		
<p>a) The processes undertaken annually in developing Delivery Unit Procurement Forward Plans should also be used to ensure that all contractual relationships above £5k are included in the Delivery Unit Contract Registers, for example in a £5k-£10 column.</p> <p>b) CSG Procurement training and development should remind trainees of their role in keeping Contract Registers accurate and up to date, for example contract registers should also include suppliers procured through external framework contracts where competitive tendering has not been undertaken by the Council itself.</p> <p>We would suggest that:</p> <ul style="list-style-type: none"> <li>- periodic reconciliations between vendor spend analysis reports and contract registers are undertaken by officers responsible for contract registers to ensure that they are complete</li> <li>- accuracy checks be undertaken to ensure that contractual data is correct for example: <ul style="list-style-type: none"> <li>• vendor name,</li> <li>• contract value/purchase order value if below £10k,</li> </ul> </li> </ul>	<p><b><u>CSG Procurement</u></b></p> <p>To support the DUs in delivering their responsibilities for maintaining their contracts register continuously and accurately, we will:</p> <ul style="list-style-type: none"> <li>- help identify contractual relationships above £5k as part of the support to DUs in the development of the Procurement Forward Plans each year.</li> <li>- Provide monthly vendor spend reports to the Delivery Unit Procurement lead officers, below.</li> <li>- emphasise this requirement in training and development and provision of ongoing advice and guidance.</li> </ul> <p><b>Note:</b> It will be the responsibility of DUs lead officers to use the vendor spend reports provided to update and maintain their contracts registers accurately and for DUs to then provide them to the Information Management Officer in the Information Management Team for publication in terms of the Council’s Transparency Policy (refer to recommendation 10)</p>	<p>Head of Procurement, CSG</p>	<p>1 March 2016</p>
	<p><b><u>Education and Skills</u></b></p> <p>We’ll request / obtain the relevant information</p>	<p>Senior Business Resource and</p>	<p>1 March 2016</p>

Title	Compliance with Contract Procedure Rules (CPRs)		
<ul style="list-style-type: none"> <li>• contract term,</li> <li>• end date,</li> <li>• expiry date,</li> <li>• last DPR/Committee Report reference, and</li> <li>• DPR/Committee Report date if above £10k</li> </ul>	<p>from Integra periodically and reconcile to the contracts register to ensure that the Education and Skills contracts register is updated and includes all contractual relationships above £5k. This will also be undertaken as part of the engagement with CSG Procurement in the development of the annual Procurement Forward Plan.</p> <p>Accuracy checks will be undertaken to ensure that details are correctly recorded in the contracts register.</p>	<p>Contracts Officer, SEN Referral and Assessment Team Education and Skills</p>	
	<p><b><u>Family Services</u></b> Periodic reconciliations between Integra and contract registers will be undertaken to identify contractual relationships above £5k for inclusion. Accuracy checks will be undertaken to ensure that contract register information is correct.</p>	<p>Head Of Service - Commissioning Family Services</p>	<p>1 March 2016</p>
	<p><b><u>Street Scene</u></b> Agreed. We will review a monthly spend analysis report to monitor aggregate spend and ensure that contractual relationships above £5k will be added to the current contract register going forward. A communication was sent on 23 November 2015 to all ordering officers and notified them that all contractual spend over</p>	<p>Business Support Officer, Streetscene</p>	<p>1 March 2016</p>

Title	Compliance with Contract Procedure Rules (CPRs)		
	<p>£5K/POs should appear on the Contract Register. They were requested to ensure that they send all relevant documentation for saving in the repository/add to the register.</p>		
	<p><b><u>Adults and Communities</u></b></p> <p>Adults to ensure all contracts of the necessary value are included in the Contracts' Register. Adults will be working to refresh a fully comprehensive version of the contracts' register for 2016/17 with all required information refreshed at monthly intervals in line with current SCOT mapping reporting.</p>	<p>Head of Care Quality Adults and Communities</p>	<p>1 March 2016</p>
	<p><b><u>Re</u></b></p> <p>Re is in agreement that a method of tracking and keeping up to date information is necessary. As per the DRS (Development and Regulatory Services), now known as Re, contract all procurements follow a business case procedure. A register of all active business cases is kept centrally and each business case owner reports in to Re's commercialisation Manager to regularly update this information.</p>	<p>Commercial Manager - Property and Infrastructure</p>	<p>1 March 2016</p>
<p><b>2. Conflicts of interest</b></p>			

Title		Compliance with Contract Procedure Rules (CPRs)	
<b>Recommendation</b>	<b>Management Response</b>	<b>Responsible Officer</b>	
<p>At the start of each procurement exercise all involved staff, including within CSG or other relevant contractors, should complete a new procurement declaration of interest form documenting the existence or non-existence of any pecuniary or other interests which compromise the objectivity of vendor selection.</p> <p>The completed form should be retained for referral and evidenced as being signed off by the relevant Head of Service. The resultant decision should be documented on the form.</p> <p>Procurement guidance and training should be updated to record the Council requirements for the declarations of interest for procurement exercises and a standard form for this process should be agreed and made available on the intranet and as an appendix to the Officer Code of Conduct for ease of access.</p>	<p><b><u>CSG Procurement</u></b></p> <p>A procurement declaration of interest form does exist but has not been universally used. Procurement have started to invoke the formal sign-off procurement declaration of interest forms of conflicts of interest especially for higher value procurements to improve the rigour and documentation around the related conversations that occur currently. DU officers involved in the procurement will be told to sign the declaration of interest form which will be sent to and retained by CSG Procurement.</p>	Head of Procurement, CSG	1 <sup>st</sup> March 2016
	<p><b><u>Education and Skills</u></b></p> <p>All officers involved in procurement initiatives involving an evaluation of quotations/responses to tenders will complete a procurement declaration of interest form at the start of each procurement documenting the existence or</p>	Senior Business Resource and Contracts Officer, SEN Referral and Assessment Team Education and Skills	1 March 2016



Title	Compliance with Contract Procedure Rules (CPRs)		
	<p>confirming the non-existence of any pecuniary interests which could compromise the objectivity of their evaluation and selection of related documentation.</p> <p>Procurement lead officers will co-ordinate the completion and collection of the procurement declaration of interest form at the start of the procurement and escalate completed forms to the relevant Director or delegated officer with the appropriate seniority to ensure that officers are excluded from the procurement process where appropriate.</p>		
	<p><b><u>Family Services</u></b></p> <p>The Procurement declaration of interest form will be reviewed by the budget holder / a Head of Service or above.</p>	<p>Head Of Service Commissioning</p>	<p>1 March 2016</p>
	<p><b><u>Street Scene</u></b></p> <p>Agreed. The procurement declaration of interest form was received from CSG Procurement and we have included the requirement in a communications email to all relevant parties to notify them of the process. The form will be saved in the contract repository.</p>	<p>Business Support Officer, Street Scene</p>	<p>1 March 2016</p>

Title		Compliance with Contract Procedure Rules (CPRs)		
	<p><b><u>Adults and Health</u></b></p> <p>Upon completion of the Procurement Options Appraisal, an initial assessment of conflict of interest is undertaken. Once the evaluation panel is identified, a further assessment is undertaken. CSG Procurement will then administer the completion and collation of all declarations which will then be retained by the Delivery Unit.</p> <p><b><u>Re</u></b></p> <p>Agreed. Re is the Managing Agent for LBB for Re therefore all contract procurement follows a governance procedure as per the Re Contract and will continue to do so.</p>	Head of Care Quality Adults and Communities	1 March 2016	
		Commercial Manager - Property and Infrastructure	1 March 2016	
<b>3. Vendor creation and approval</b>				
<b>Recommendation</b>	<b>Management Response</b>	<b>Responsible Officer</b>	<b>Deadline</b>	
Accounts Payable should be instructed to refer new vendor creation forms which have not been signed by central CSG Procurement Business Partners back to CSG Procurement for sign-off and challenge, where necessary.	<p><b><u>Accounts Payable</u></b></p> <p>Vendors will be categorised / grouped to determine those which need to be approved by CSG Procurement. This will be formally documented for example as part of a workflow.</p>	Head of Exchequer, CSG	1 March 2016	

Title	Compliance with Contract Procedure Rules (CPRs)		
<p>CSG Procurement should also be notified, for review and challenge where necessary, of the following vendors when they are created in Integra:</p> <ul style="list-style-type: none"> <li>- Social care placement vendors and</li> <li>- any “historic” procurement vendor which had not been migrated from SAP to Integra but is now required in Integra.</li> </ul> <p>DUs should complete new vendor forms or include/”cc” the relevant CSG Procurement Business Partner in the DU e-mail requests to create such vendors</p> <p><b>Note:</b> We understand from the Head of Exchequer Services that an Integra e-form will be developed shortly for the creation/amendment of all vendors - procurement and non-procurement - which will route by workflow to all relevant parties, originator, manager, CSG procurement and Accounts Payable.</p> <p>Delivery Units should be reminded, for example through procurement training, of the correct process for requesting the creation of approved vendors in Integra.</p>	<p>The categorisation will address the recommendation for the following vendors:</p> <ul style="list-style-type: none"> <li>- Social care placement vendors and</li> <li>- any “historic” procurement vendor which had not been migrated from SAP to Integra but is now required in Integra, for example those not used for a 14 month period.</li> </ul> <p>Documented procedures will be communicated to the relevant officers in the DUs and CSG.</p> <p><b><u>Education and Skills</u></b></p> <p>As before, new vendor creation requests in Integra will be sent to CSG procurement on New Vendor forms.</p> <p><b><u>Family Services</u></b></p> <p>New vendor creation requests in Integra will be sent to CSG procurement on New Vendor forms.</p> <p><b><u>Street Scene</u></b></p> <p>Street Scene is compliant with this process and</p>	<p>Senior Business Resource and Contracts Officer, SEN Referral and Assessment Team Education and Skills</p> <p>Head Of Service Commissioning</p> <p>Business Support</p>	



<b>Title</b>	<b>Accounts Payable</b>
<b>Audit Opinion</b>	<b>Limited Assurance</b>
<b>Date of report:</b>	December 2015
<b>Background &amp; Context</b>	<p>Audit work was undertaken in September 2015, covering the period from 1 April 2015 to 31 August 2015, focussing on key controls in place across a number of financial systems that are integral to the Council's day to day operation. The result of this work was reported to the November Audit Committee as follows:</p> <ul style="list-style-type: none"> <li>• Accounts Receivable - Satisfactory</li> <li>• General Ledger – Satisfactory</li> <li>• Schools Payroll - Satisfactory</li> <li>• Council Tax - Satisfactory</li> <li>• Housing Benefits - Satisfactory</li> <li>• NNDR - Satisfactory</li> </ul> <p>Our work also included a review of Accounts Payable. This was not included in the original report to the November Audit Committee as we identified potential issues around the creation of new suppliers and amendments to supplier details. We performed additional work to validate the initial management response provided before the results were formally reported.</p> <p>Our work has now been completed in line with the Terms of Reference dated 8 September 2015. This report presents the detailed results of the Accounts Payable testing.</p>
<b>Summary of Findings</b>	<p><b>New supplier forms</b></p> <p><b>General comments</b></p>

Title	Accounts Payable
	<p>As per management, new supplier forms are only required when a 'procurement vendor' is to be created. However, at the time of agreeing the key controls within the Terms of Reference for this review, this distinction was not made to us by management, and therefore we expected the new supplier form control to be in place for our entire sample of 25 new suppliers.</p> <p>When a vendor is created the Accounts Payable team have the option of marking it to determine if the vendor is available for future requisitions and purchase ordering, or creating the vendor as a 'non-procurement vendor'. At the time of the audit, non-procurement vendors would not require approval from CSG Procurement. If subsequently procurement activity is required for the vendor, then a vendor creation form would need to be completed before the status is changed.</p> <p>All 4 exceptions identified in our initial testing related to 'non-procurement' activity, namely, foster care payments, SEN travel costs and a court ordered payment.</p> <p>We requested a copy of the documented procedures that ensure the different approaches for Procurement vendors and Non-Procurement vendors (using API forms or API debit notes) are clearly understood and applied by all parties. These written procedures were not supplied. Without this clear documentation there is a risk that, should the Head of Exchequer leave or be absent from work, colleagues would not know or follow the correct process. Lack of updated procedure documents for the Accounts Payable process in SAP had been noted by audit in 2011 and 2012 at which time it was stated by the service that there is an annual review process of procedure documents. However, we have seen no evidence that Accounts Payable procedure documents have been agreed or annually updated since the introduction of Integra in April 2014.</p> <p>As per management, an e-form developed by CSG Procurement for the creation/amendment of vendors will shortly be introduced, although at the time of the audit a clear timetable for this was not available. This will route changes by workflow to all relevant parties, originator, manager, CSG procurement etc. and the involvement of the Accounts Payable team will become minimal. This will strengthen the process by limiting intervention in the vendor creation/amendment process and maintaining a full audit trail. It will also ensure that segregation of duties is maintained.</p> <p><b>Results of further testing</b></p> <p>In September 2015 a sample of 25 new suppliers created between 1 April 2015 and 31 August 2015 were tested. We</p>

Title	Accounts Payable	
	identified the following four exceptions and have completed further work as follows:	
	<b>September 2015 exceptions</b>	<b>December 2015 conclusion</b>
	<p>1. In one case, there was no documentation available to demonstrate that the supplier set up had been requested by the business;</p>	<p>No evidence could be provided by the Delivery Unit or Accounts Payable team to support the creation of the supplier.</p>
	<p>2. In one case, the supplier set up was authorised after the date the supplier was set up;</p>	<p>The Integra audit record indicates that this supplier was created at 18:11pm on 19 July. The next working day, 20 July, the vendor creation was checked. The supplier was therefore set up and was live on Integra for payments to be made before the supplier was authorised on 20/07/2015.</p> <p>There is a risk that payments could be made to suppliers prior to the new supplier having been checked and authorised by a second party. Management indicated that the risk of a fraudulent transaction being initiated in this way was low as there would be a delay between a supplier being set up and the next payment run occurring. However, in our view although the likelihood of this occurring may be low, the impact could be high – and therefore until the new e-form workflow is introduced an interim control should be considered to mitigate the risk of suppliers being paid before their creation has been authorised.</p> <p>Management noted that this control was also not present in the previous finance system, SAP. This had been noted as a potential improvement to SAP (and any subsequent system) by audit in 2011 and 2012.</p> <p>We confirmed that this particular payment was made to a Carer. The Accounts Payable team received an email from the Panel Coordinator on 14/07/2015 requesting the payment to the Carer’s bank account. This email included</p>

Title	Accounts Payable		
		authorisation from the Delivery Unit for the payment. This was then processed by the Accounts Payable team.	
	3. In one case, management were unable to provide any evidence to support the setup of the supplier; and	<p>The prime document used to create this vendor has now been located.</p> <p>We confirmed that the change related to a non-procurement vendor. In these cases, the documentation relating to the change is completed within the Delivery Unit. The change is processed by the Accounts Payable team once there is evidence of authorisation from the Delivery Unit.</p> <p>An API Debit Note was reviewed and we confirmed this had been authorised by the Delivery Unit.</p>	
	4. In one case, the supplier was setup from an invoice and no vendor form had been completed in line with the expected procedure.	<p>This supplier was created to enable a court ordered payment to be made. This type of transaction is one of a number of exceptions that the CSG Procurement team are aware of and have agreed with the service that a vendor form is unnecessary.</p> <p>The Accounts Payable team were sent an invoice by the Delivery Unit. The invoice had been authorised by the Delivery Unit. We reviewed the invoice and no exceptions were noted.</p>	

**Priority 1 recommendations, management responses and agreed action dates**

**1. New Supplier Forms**

Recommendation	Management Response	Responsible Officer	Deadline
a) Documented procedures should be prepared to clarify the different arrangements around Procurement and Non-Procurement vendors and how to	a) A chart detailing the vendor categories and their creation workflow will be compiled and agreement sought between Procurement, Accounts Payable and Audit	Head of Exchequer, CSG	April 2016



Title	Accounts Payable		
<p>process them in Integra, to ensure a consistent and well controlled approach to these forms of expenditure. These procedures should be communicated to all relevant staff and regularly updated as necessary.</p>	<p>to ensure that the most appropriate route is used when creating/amending the different categories of vendors. Once this has been determined the outcome will be communicated to all relevant parties. In the longer term the creation/amendment of vendors will be performed on an e-form designed to reduce the delay in vendor creation while improving the audit trail.</p>		
<p>b) A clear timetable should be agreed between the Council and CSG for the introduction of the e-form workflow system within Integra.</p>	<p>b) The e-form will initially be rolled out to selected users to ensure that any issues are identified and resolved before full introduction. This has already been agreed with the Council and communication will be sent out in sufficient time to all affected parties.</p>	<p>Head of Exchequer, CSG</p>	<p>April 2016</p>
<p>c) In the meantime, management should consider introducing an interim control to mitigate the risk of suppliers being paid before their creation has been authorised.</p>	<p>c) For a supplier to be paid, in the period between vendor creation/amendment and this record being double-checked requires a considerable number of processes to take place however, it is recognised that there is a risk and the Accounts Payable team have introduced a process to ensure that all vendor creation/amendments are checked before the daily payment run in order to mitigate</p>	<p>Head of Exchequer, CSG</p>	<p>April 2016</p>

Title	Accounts Payable		
		this risk.	
d) Management should continue to remind officers of the importance of retaining evidence to support the creation of new suppliers or supplier bank account amendments.		d) All documentation relating to vendor creation/amendment is held and during the selected audit period in excess of 1800 vendor records had been either created or amended generating a large number of paper documents. These are regularly referred to by the AP team and others which sometimes causes disorder and difficulty in locating and retrieving the document.	Head of Exchequer, CSG  April 2016

Title	Client Affairs
<b>Audit Opinion</b>	<b>Limited Assurance</b>
<b>Date of report:</b>	December 2015
<b>Background &amp; Context</b>	<p>The Council's Client Affairs Team manage the financial affairs of residents who are incapable of doing so themselves, and do not have family or friends willing or able to do so on their behalf. The Court of Protection authorise the Council to undertake these duties through deputyship.</p> <p>A Deputy is responsible for managing clients' day to day financial affairs. A Deputy will generally receive all income and use this to pay living costs and debts. Any excess should be prudently invested. The Deputy must account for their actions periodically to the Court.</p> <p>The Client Affairs team currently manage the financial affairs for approximately 60 clients under the deputyship</p>

Title	Client Affairs
	<p>position.</p> <p>In addition to the management of client financial affairs, the Client Affairs team are also responsible for the protection of property. The Team have a statutory responsibility to protect the property of deceased persons in the Borough where next of kin cannot be immediately located. Property is securely stored and logged until the next of kin can be traced. Responsibilities include ensuring property is secure, and removal of cash, bank books and other small items of value for safekeeping. If the service user is not returning to the property, the Team will assist in terminating tenancies and disposing of furniture.</p>
<p><b>Summary of Findings</b></p>	<p>This audit has identified one priority 1, six priority 2 and two priority 3 recommendations.</p> <p>We identified the following issues as part of the audit:</p> <ul style="list-style-type: none"> <li>• <b><u>Property visits</u></b> – As per the team’s guidance on protection of property, visits to any referred property should be performed by two members of staff and an inventory document with a listing of client’s belongings cleared from properties should be retained for each visit. Our testing identified instances where there were no records confirming that two officers had been in attendance at property visits and instances where an inventory document was not created. We also found that there are no written guidelines around the timescale between the referral date, which is the date when the property starts being under the Council’s control, the initial visit date, and the date of the first visit to the property which is used to clear the client’s belongings. There are also no guidelines around the frequency of spot checks and subsequent visits to the property. <b>(Finding one, priority 1)</b></li> <li>• <b><u>Monitoring of transactions undertaken by client affairs – Quicken/bank reconciliations</u></b> - The Client Affairs team performs a monthly reconciliation between the client records on Quicken, the database holding details of transactions for all deputyship clients, and the bank statement. Our testing identified an instance where the supporting documentation for the reconciliation had not been retained. There is evidence on file that the bank statement had been reconciled as individual client names have been assigned to each transaction, but we were unable to confirm that the full reconciliation was performed as the relevant reports from Quicken were</li> </ul>

Title	Client Affairs
	<p>not saved. Quicken has no facility to recall uncleared transactions for the previous month or produce reconciliation reports for previous periods. <b>(Finding two, priority 2)</b></p> <ul style="list-style-type: none"> <li>• <b><u>Supporting documentation for client affairs transactions</u></b> – All payments made on behalf of clients require at least two approvers before payment is processed. In six out of 25 sampled transactions, the payment was made by cheque and the scanned signed copy of the cheque had not been retained hence it was not possible to confirm who had signed the cheque. In one out of 25 cases, the item was a weekly instalment of personal allowance payment made in cash to a social worker. Supporting documentation could not be retrieved from the archives, so we were unable to verify that the expenditure was appropriately authorised. <b>(Finding three, priority 2)</b></li> <li>• <b><u>Data protection</u></b> – Hard copies of supporting documents are put into archive and stored remotely. Any member of Council staff, within the Adults and Communities delivery unit, is able to request files from the archive based on the file name. It was noted that there is currently guidance on the staff intranet on the recommended file naming structures which may enable staff outside the Client Affairs team to request files from the archive that they are otherwise not entitled to access. It was also noted that some hardcopy records relating to client affairs activity are stored in the short-term in a locked cabinet but one to which members of staff outside of the Client Affairs team, albeit within the Customer Finance team, have access. <b>(Finding four, priority 2)</b></li> <li>• <b><u>Changes to standing data</u></b> - SWIFT, the database that holds records of personal details of the deputyship clients and all Adults and Communities clients, currently does not record who has requested and authorised a change in standing data. <b>(Finding five, priority 2)</b></li> <li>• <b><u>Peer review of completed transactions</u></b> - Independent file reviews are supposed to be undertaken on clients records for 10% of cases every quarter. A file review would include examination of supporting documentation for each transaction on the file that has been processed in the last quarter. Management confirmed that at the time of the audit been unable to undertake the independent file reviews due to the high workload of the Team. However, all transactions are required to be reviewed by a different team member before payment is made. <b>(Finding six, priority 2)</b></li> </ul>

Title		Client Affairs		
<b>Priority 1 recommendations, management responses and agreed action dates</b>				
<b>1. Property Visits</b>				
Recommendation	Management Response	Responsible Officer	Deadline	
<p>a) The Council should update the template form that must be filled out at every initial property visit, regardless of whether any items are removed from the property. This form should detail the date of visit, inventory of all items removed including bills and require the signature of both officers in attendance. This should then be kept in the case file along with any other relevant documentation.</p> <p>b) A similar form should be required for all subsequent visits to ensure an audit trail is maintained regarding the attendance of two officers at all property visits.</p> <p>c) The key register should be amended to require double signatory.</p> <p>d) Guidance around the timescale between the referral date and the initial visit date should be introduced. The guidance should state who is responsible for monitoring performance against the</p>	<p>The policy and procedures for the protection of property will be updated to reflect the Internal Audit report recommendations.</p>	<p>Financial Assessment Manager, Financial Assessment Team</p>	<p>31 January 2016</p>	

Title	Client Affairs		
<p>target timescale.</p> <p>e) Guidance should be updated to define the frequency of spot checks and subsequent visits to the properties. The guidance should state who is responsible for monitoring performance against the target timescale.</p> <p>f) A working document or log should be updated and reviewed at least monthly to monitor the date of the latest visit to each property and identify when then the next visit should be undertaken.</p>			

#### 4. Advisory reviews for management purposes

There were two advisory reviews undertaken by internal audit that do not give an assurance rating but nonetheless aid management in assessing the design and effectiveness of their control environment. If a significant issue has been identified or a Priority 1 recommendation made as part of these reviews further detail is provided within this progress report below. Priority 1 recommendations are followed up in line with Internal Audit's standard follow-up process and reported to Audit Committee accordingly.

Any potential independence threats have been managed when undertaking these reviews in that the staff involved in the reviews have not audited / will not audit the area concerned for at least 12 months before or after the advisory work.

	<b>Advisory Reviews</b>	
1	Capital Development Pipeline	See 4.1 below
2	Data Quality - Face to Face Wait Times (CS1a & CS1b)	No significant issues to report

## 4.1 Capital Development Pipeline

<p><b>Background &amp; Context</b></p>	<p>The review was requested by management as they had identified weaknesses in programme controls.</p> <p>The aim of the Capital Development Pipeline programme, established in 2014/15, is to secure financial benefits for the Council through the sale or repurpose of surplus Council land and respond to the need for particular housing types across the borough. This is expressed through the Terms of Reference for the Programme Board: ‘The aim of the Development Pipeline Programme is to develop Council land to maximise the achievement of the Council’s policy and financial objectives.’ The programme and its component projects are to be delivered using the Corporate Project Management (PM) Toolkit. The toolkit aims to ensure that the Council is consistently delivering successful projects and programmes, with the overall aim of achieving its corporate priorities.</p> <p>The total programme value is approximately £100m and elements of this programme are delivered by Barnet Homes and Re. This audit primarily focussed on the Council’s programme management controls (not those of Re or Barnet Homes) and reviewed the design of the Council’s controls in place to mitigate four key risks areas against the requirements of the PM toolkit:</p> <ul style="list-style-type: none"> <li>• Strong Governance and Reporting;</li> <li>• Delivery Enabling Plans;</li> <li>• Engaged Stakeholders; and</li> <li>• Managed Risk and Issues.</li> </ul>
<p><b>Summary of Findings</b></p>	<p>We confirmed the management view that there were weaknesses in programme controls and inconsistencies in the programme’s compliance with the Corporate PM toolkit’s requirements. We identified concerns in relation to all four of the key risk areas we reviewed. This led to Priority 1 findings across each of the four areas tested.</p>
<p><b>Priority 1 findings, management responses and agreed action dates</b></p>	
<p><b>1. Governance and Reporting</b></p>	



Recommendation	Management Response	Responsible Officer	Deadline
<p>1.i. The Programme Board terms of reference should be updated to clearly set out the Board’s decision making powers and information requirements;</p> <p>1.ii. Management should complete and then maintain the programme decision log, introduce an action log (utilising the template within the PM toolkit) and ensure that minutes are taken at each Board meeting;</p> <p>1.iii. The programme should agree and document their supplier requirements in terms of reporting (both content and frequency), key performance indicators, management of risk and escalation of issues, so that all parties are clear on what is required;</p> <p>1.iv. The programme should introduce tolerances for project escalation in line with the requirements set out in the PM toolkit; and</p> <p>1.v. Management should consider introducing a programme level highlight report and ensure that projects provide complete and accurate information to all board meetings.</p>	<p>1.i. The terms of reference for the Programme Board have been updated and will be agreed by the Programme Board in December.</p> <p>1.ii. A decision log and action log is in place and minutes are being taken at each Programme Board meeting.</p> <p>1.iii. The Programme Definition Document (PDD) is being revised to include details of supplier reporting requirements, tolerances and escalation processes. The revised PDD will be presented to the Programme Board in December.</p> <p>Suppliers are accountable for the accuracy of information provided in the project highlight reports however work is underway to ensure that project highlight reports contain complete and accurate information. This is a priority action which suppliers will be tasked to comply with.</p> <p>1.iv. As above</p> <p>1.v. A programme level highlight report has been implemented. Suppliers will be required and tasked to provide comprehensive project reports and ensure effective project management</p>	<p>Capital Development Pipeline Programme Team</p>	<p>31<sup>st</sup> Dec 2015</p>

	arrangements are in place.		
<b>2. Delivery Enabling Plans</b>			
<b>Recommendation</b>	<b>Management Response</b>	<b>Responsible Officer</b>	<b>Deadline</b>
2.i. Management should update the PDD to ensure that it includes the programme assumptions upon which future plans will be based;	2.i. The PDD is being updated to include programme assumptions and will be presented to Programme Board in December 2015.	Capital Development Pipeline Programme Team	29th Feb 2016
2.ii. The programme should ensure that all projects are supported by PIDs (Project Initiation Documents), utilising the template provided by the PM toolkit, to fully define and agree each project's scope, deliverables, management approach and escalation process;	2.ii. A checklist of project documents (which includes PIDs) has been sent to Re and Barnet Homes for completion. Meetings have been scheduled with Re and Barnet Homes to review the project documentation and to agree an action plan for ensuring key project documents are in place. It is expected that all project documentation will be in place by end Feb 2016	Director of Operations, Barnet Homes	
2.iii. The programme should produce a detailed programme plan for the current phase of work and at a high level for the next phase. The programme should also ensure that all projects produce plans which are consistent with the requirements set out in the PM toolkit planning standards document;	2.iii. Re and Barnet Homes should ensure Project Managers are trained and equipped to deliver in accordance with LBB programme and project methodology.	Operations Director, Re	
2.iv. The programme should develop a dependency log which includes a description of the dependency, actions required, owners and due dates for each	A programme critical path has been developed however a detailed programme plan will be created by January which will incorporate information from updated project plans.		

<p>dependency and ensure that all projects are consistently recording and managing dependencies in line with the PM toolkit and provide the programme with full dependency information as required.</p>	<p>2.iv. Key programme dependencies have been identified and are monitored via the Programme Highlight report. A dependency log has also been implemented.</p>		
<b>3. Engaged Stakeholders</b>			
<b>Recommendation</b>	<b>Management Response</b>	<b>Responsible Officer</b>	<b>Deadline</b>
<p>4.i. The programme should formally identify and analyse the programme and project's stakeholders building on project level stakeholder mapping which should be completed if not already in place. This may include the creation of stakeholder maps and should follow the process of identifying, prioritising and understanding stakeholders outlined in the PM toolkit;</p> <p>4.ii. Using the stakeholder information above and the template provided within the PM toolkit the programme should:</p> <ul style="list-style-type: none"> <li>• Ensure that communication plans are in place for each of the programme's composite projects;</li> <li>• Produce a programme level communication plan, which includes roles assigned to own key stakeholder</li> </ul>	<p>3.i. Each project will be required to complete detailed stakeholder mapping and a communication plan.</p> <p>Following on from the development of detailed project stakeholder mapping and the creation of project stakeholder engagement plans a programme stakeholder engagement plan will be produced by the end of end February 2016.</p> <p>3.ii. Project and programme communication plans will be in place by the end February 2016.</p> <p>Feedback from stakeholders is collected on an ongoing basis for each project, and quarterly reporting to the Board on consultation and engagement is being considered as well as an annual report (undertaken as part of the Assets</p>	<p>Capital Development Pipeline Programme Team</p> <p>Director of Operations, Barnet Homes</p> <p>Operations Director, Re</p>	<p>29th Feb 2016</p>

<p>relationships; and</p> <ul style="list-style-type: none"> <li>• Ensure that stakeholder feedback is collected, analysed and where appropriate, acted upon on a regular basis.</li> </ul>	<p>Regeneration and Growth Annual Performance Report) to provide an overview of progress and key achievements.</p>		
<p><b>4. Managed Risk and Issues</b></p>			
<p><b>Recommendation</b></p>	<p><b>Management Response</b></p>	<p><b>Responsible Officer</b></p>	<p><b>Deadline</b></p>
<p>4.i. Management should improve risk and issue management processes across the programme, utilising the guidance contained within the PM toolkit, this should include:</p> <ul style="list-style-type: none"> <li>• Documenting programme roles and responsibilities in relation to risk and issue management;</li> <li>• Documenting the Council’s requirements in relation to risk and issue management for Re and Barnet Homes. This should include the level of information they are expected to produce and maintain;</li> <li>• Agreeing project escalation criteria (tolerances) for risk and issue management;</li> <li>• Introducing Programme level risk and issue logs (utilising the templates provided by the</li> </ul>	<p>4.i. The process / roles for managing risks and issues will be documented in the PDD. The process will follow the Council’s risk management guidelines. Any issues rated 4 and above, and any risks rated 12 and above should be escalated to the Programme Board via the project highlight reports.</p> <p>Programme risk and issues logs have been created and programme risks and issues for escalation are set out in the programme highlight report.</p>	<p>Capital Development Pipeline Programme Team</p>	<p>31<sup>st</sup> January 2016</p>

<p>PM toolkit) and ensuring that full logs are in place at the project level; and</p> <ul style="list-style-type: none"><li>• Once escalation criteria has been agreed ensuring that risks and issues are escalated to the Programme Board appropriately and that complete information is provided by the projects.</li></ul>			
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## 5. Work in progress

The following work is in progress at the time of writing this report:

<b>Table 2: Work in progress</b>		
<b>Systems Audits</b>		<b>Status</b>
1	CSG Invoicing / Gain Share Agreements	End of Fieldwork
2	Foster Carer and Adoption Payments	End of Fieldwork
3	Disaster Recovery Plan	End of Fieldwork
4	Schemes of Delegation	End of Fieldwork
5	Highways Expenditure	End of Fieldwork
6	IT Change Management / ITIL	Planning
7	SEN Follow-Up	Planning
8	Risk Management Framework	Planning
9	Performance Management Framework	Planning
10	Parking Permit Administration (joint with CAFT)	Planning
11	People Management – Establishment List	Planning
12	Transformation Q4	Planning
13	Accounts Payable Q4	Planning
14	Non-Schools Payroll	Planning
15	Non-Schools Pensions	Planning
16	Teachers Pensions	Planning
17	Treasury Management	Planning
18	Cash & Bank	Planning
19	Fixed Assets	Planning
20	Budget Monitoring	Planning
<b>Advisory reviews</b>		
21	IT Strategy	End of Fieldwork
22	Data Quality spot checks - Q3 – Public Health - Rate of hospital admissions related to alcohol	Planning
23	Data Quality spot checks - Q4 – Family Services - % of assessments completed within 45 working days	Planning
<b>Grants / Payment by Results</b>		
24	Troubled Families Q4	Planning
<b>Schools Audits</b>		
25	Annunciation Junior	Fieldwork
26	Sunnyfields	Fieldwork

## 6. Implementation of Internal Audit recommendations

Shading	Rating	Explanation
	Implemented	The recommendation that had previously been raised as a priority one has been reviewed and considered implemented.
	Partly Implemented	Aspects of the original priority one recommendation have been implemented however the recommendation is not considered implemented in full.
	Not Implemented	There has been no progress made in implementing the priority one recommendation.

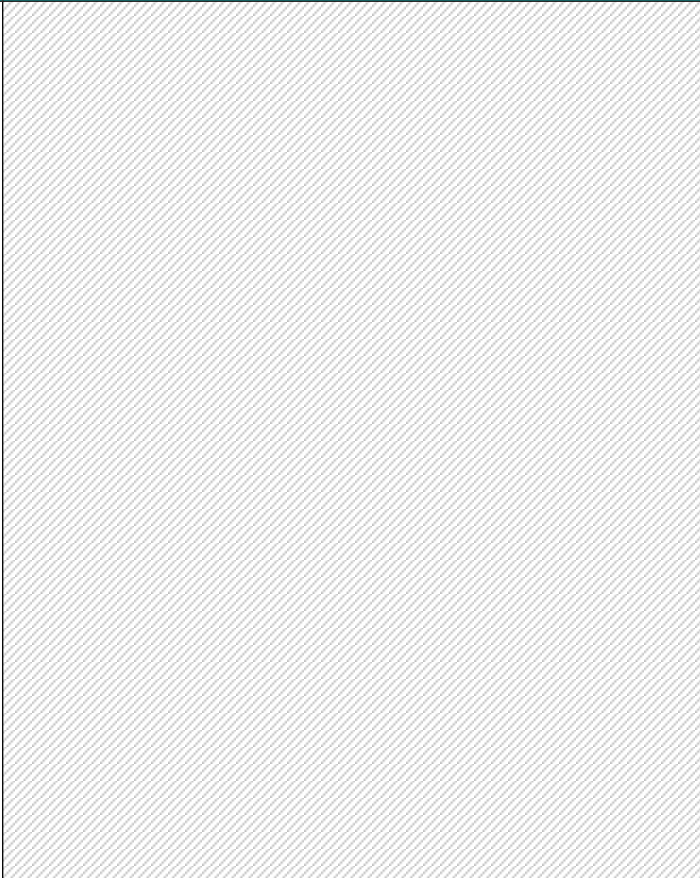
Audit Title, Date and Recommendation	Deadline and Responsible Officer(s)	Outcomes of previous audit follow-up assessments	Audit follow-up assessment (January 2016)
<p><b>1. People Management – Pre-employment Checks</b></p> <p>June 2015</p> <p><b>Safer Recruitment Training &amp; Guidance</b></p> <p>a) The revised Safer</p>	<p>August 2015</p> <p>Lead Human Resources Consultant</p> <p>Human Resources Operations</p>	<p>Previously we followed up and reported:</p> <ul style="list-style-type: none"> <li>Q2, 2015/16 – The recommendation was considered Partly Implemented as the following remained outstanding:</li> </ul>	<p><b>Partly Implemented</b></p> <p>Disclosure &amp; Barring Service (DBS) Policy agreed by SCB 19 January 2016.</p> <p>As per HR, updated policy and additional guidance to be published on intranet and cascaded to managers and teams week commencing 25 January 2016.</p>

Audit Title, Date and Recommendation	Deadline and Responsible Officer(s)	Outcomes of previous audit follow-up assessments	Audit follow-up assessment (January 2016)
<p>Recruitment guidance should be formalised and made available to all Line Managers within the Council following formal approval by the Workforce Board in August 2015.</p> <p>b) Human Resources should develop training on the new guidance.</p> <p>c) All Line Managers within the Council should be mandated to attend a formal briefing on the new guidance to ensure they fully understand their role and responsibilities.</p>	<p>Director, CSG</p> <p>Human Resources Operational Manager, CSG</p>	<p><i>Safer Recruitment Policy going to the Strategic Commissioning Board (SCB) for final approval by the Council's statutory officers on 27th October 2015.</i></p> <p><i>The Safer Recruitment Policy and Guidance needs to be compared against contract before they can be placed on the intranet and briefing notes finalised.</i></p>	<p>Once this has been completed this recommendation will be considered Implemented.</p>
<p><b>2. People Management – Pre-employment Checks</b></p> <p><b>June 2015</b></p> <p><b>Monitoring of HCPC Registration</b></p>	<p>July 2015</p> <p>Lead Human Resources Consultant</p>	<p>Previously we followed up and reported:</p> <ul style="list-style-type: none"> <li>• Q2, 2015/16 – The recommendation was considered Partly Implemented as the</li> </ul>	<p><b>Partly Implemented</b></p> <p>As per HR, updated policy and additional guidance to be cascaded to managers and teams week commencing 25 January 2016 as part of the Engagement and Communications plan.</p>



Audit Title, Date and Recommendation	Deadline and Responsible Officer(s)	Outcomes of previous audit follow-up assessments	Audit follow-up assessment (January 2016)
<p><b>of Social Workers</b></p> <p>a) Management should complete the risk assessment process for the case where HCPC registration could not be confirmed and ensure that it is appropriate for them to remain in post.</p> <p>b) The Council should consider whether to introduce a requirement for all social workers to provide evidence of HCPC registration.</p> <p>c) Management should agree a clear procedure for the monitoring of HCPC registration, clarifying the respective responsibilities of Adults &amp; Communities, Family Services and Human Resources.</p> <p>d) The Council should consider how to formally monitor</p>	<p>Human Resources Operations Director, CSG</p> <p>Human Resources Operational Manager, CSG</p>	<p>following remained outstanding:</p> <p><i>The Engagement and Communications plan will be rolled out and be made available on the intranet once the Safer Recruitment Policy and Guidance details have gone through the final check against contract.</i></p>	<p>Once this has been completed this recommendation will be considered Implemented.</p>

Audit Title, Date and Recommendation	Deadline and Responsible Officer(s)	Outcomes of previous audit follow-up assessments	Audit follow-up assessment (January 2016)
<p>HCPC registration, including the expiry date of all social worker registration. Management should continue to develop the functionality of CORE to support this process. If relevant, reminders should be sent to all social workers when a registration is due to expire.</p> <p>e) The Council should produce an Engagement and Communications Plan to communicate any new monitoring procedures to ensure social workers are aware of their responsibility to provide timely evidence of registration.</p>			
<p><b>3. People Management – Pre-employment Checks</b></p> <p><b>June 2015</b></p>	<p>July 2015</p> <p>Lead Human Resources Consultant</p>	<p>Previously we followed up and reported:</p> <ul style="list-style-type: none"> <li>• Q2, 2015/16 – The recommendation was considered Partly</li> </ul>	<p><b>Partly Implemented</b></p> <p>Awaiting evidence that DBS/HCPC checks required as a result of gaps identified have all been completed.</p>

Audit Title, Date and Recommendation	Deadline and Responsible Officer(s)	Outcomes of previous audit follow-up assessments	Audit follow-up assessment (January 2016)
<p><b>Accuracy and Completeness of Vetting Information</b></p> <p>a) The Council should complete the review of all information held in the CORE system as soon as possible.</p> <p>b) DBS clearances should be obtained for all roles where gaps are identified in the information held on CORE.</p> <p>c) A formal change in role form should be introduced and all Line Managers should be made aware of their responsibilities in notifying Human Resources when additional clearances are required.</p>	<p>Human Resources Operations Director, CSG</p> <p>Human Resources Operational Manager, CSG</p>	<p>Implemented as the following remained outstanding:</p> <p><i>DBS/HCPC checks required as a result of gaps identified to have all been completed and appropriate action on the outcomes taken where applicable.</i></p>	

## Implemented recommendations

The following recommendations that had previously been raised as a priority one have been reviewed and are now considered implemented.

<b>Audit Title, Date and Recommendation</b>
<b>4. Accounts Receivable – March 2015 - Invoice Request Forms</b>
<b>5. St. Andrews school – April 2015 - Income</b>
<b>6. St. Andrews school – April 2015 - Lettings</b>
<b>7. St. Andrews school – April 2015 - Payroll</b>
<b>8. Fairway school – June 2015 - Income</b>
<b>9. Fairway school – June 2015 - Purchasing</b>
<b>10. Contract Management Toolkit compliance – Homecare – August 2015 - Risk and Issue Management</b>

## 7. Internal Audit effectiveness review

Performance Indicator	Target	End of Quarter 3
% of plan delivered	66%*	59%
Number of reviews due to commence vs. commenced in quarter	95%	100%
% of reports year to date achieving: <ul style="list-style-type: none"> <li>• Substantial</li> <li>• Satisfactory</li> <li>• Limited</li> <li>• No Assurance</li> <li>• N/A</li> </ul>	N/A	6% 55% 12% 4% 22%
Number / % of Priority 1 recommendations: <ul style="list-style-type: none"> <li>• Implemented</li> <li>• Partly implemented</li> <li>• Not implemented</li> </ul> in quarter when due	90%	70%

\* Based on 95% complete of those due in quarter.

### Key:

Target met
Target not met
N/A

Implementation of internal audit recommendations – as per section 7 above, the progress of the 10 high priority recommendations due for implementation in quarter 3 is that 70% of recommendations have been fully implemented compared to a target of 90%. 30% have been partly implemented.

A summary of the status is as follows:

Status	Number	%
Implemented	7	70%
Partly Implemented	3	30%
Not Implemented	0	0%
<b>Total</b>	<b>10</b>	<b>100</b>

## 8. Changes to our plan

Since the Internal Audit Plan was agreed in April 2015 there have been changes to audits originally planned for Q3 as follows:

Type	Audit Title	Reasons
Combined	Fleet Management and Residential Waste	Combined to undertake Street Scene Operations Review
Deferred	Performance Management Framework	Deferred in order to conduct audit alongside Risk Management audit scheduled for Q4
Deferred	Catering Traded Service	Deferred to 2016/17 due to Education & Skills ADM
Deferred	Area Committee Budgets	Deferred to 2016/17 if still appropriate due to extra capacity needed for No Assurance audit follow-ups
Deferred	IT Helpdesk	Deferred to 2016/17 if still appropriate in order to undertake IT Change Management / ITIL audit in 2015/16


## 9. Risk Management

The final performance report for Quarter 2 was presented to the Performance and Contract Monitoring Committee on 17<sup>th</sup> November 2015 and can be found via the link below:

<http://barnet.moderngov.co.uk/documents/s27398/Appendices%20A%20to%20K.pdf>

Appendix I to the report is the Quarter 2 corporate risk register.

Quarter 3 performance, including the corporate risk register, will go to the February meeting of the Performance and Contract Monitoring Committee.

	<p><b>Audit Committee</b></p> <p><b>28<sup>th</sup> January 2016</b></p>
<p style="text-align: right;"><b>Title</b></p>	<p><b>Corporate Anti-Fraud Team (CAFT) Q3 Progress Report: October – December 2015.</b></p>
<p style="text-align: right;"><b>Report of</b></p>	<p>Clair Green – Assurance Assistant Director</p>
<p style="text-align: right;"><b>Wards</b></p>	<p>All</p>
<p style="text-align: right;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: right;"><b>Enclosures</b></p>	<p>Appendix 1:- CAFT Q3 Progress Report: October – December 2015.</p>
<p style="text-align: right;"><b>Officer Contact Details</b></p>	<p>Clair Green  <a href="mailto:clair.green@barnet.gov.uk">clair.green@barnet.gov.uk</a>                      0208 359 7791</p>

### Summary

This report covers the period 1st October 2015 – 31<sup>st</sup> December 2015 and represents an up-to-date picture of the work undertaken by Corporate Anti-Fraud Team (CAFT) during that time.

### Recommendations

1. That the Committee note the CAFT Progress Report covering the period 1st October 2015 – 31st December 2015

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 The Audit Committee included in the work programme for 2015/6 that quarterly progress reports on the work of the Corporate Anti- Fraud Team are produced to this meeting.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 N/A

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 None

## **4. POST DECISION IMPLEMENTATION**

- 4.1 None

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 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. The work of the Corporate Anti-Fraud Team (CAFT) supports this by continuing to provide an efficient value for money anti-fraud activity, that is able to investigate all referrals that are passed to us to an appropriate outcome, whilst continuing to offer support, advice and assistance on all matters of fraud risks including prevention, fraud detection, money laundering, other criminal activity, and deterrent measures, policies and procedures, whilst delivering a cohesive approach that reflects best practice and supports all the new corporate priorities and principles.

### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 The structure and budget that CAFT operate within has proven successful and provides sufficient resource and commitment that is required to carry out an effective anti-fraud service and deliver the key objectives as set out within the strategy.

### **5.3 Legal and Constitutional References**

- 5.3.1 Under Section 151 of the Local Government Act 1972 the Council has a statutory obligation to ensure the protection of public funds and to have an effective system of prevention and detection of fraud and corruption.
- 5.3.2 The Council's Constitution under Responsibility for Functions - The Audit Committee's terms of reference, details the functions of the Audit Committee including



To monitor the effective development and operation of the Council's Corporate Anti-Fraud Team; and  
To consider regular anti-fraud progress reports and summaries of specific fraud issues and investigation outcomes.

5.3.3 There are no Legal issues in the context of this report.

#### 5.4 Risk Management

5.4.1 The on-going work of the CAFT supports the council's risk management strategy and processes. Where appropriate, outcomes from our investigations are reported to both Internal Audit and Risk Management to support their on-going work and to assist in either confirming effective anti-fraud controls and or suggested areas for improvement.

#### Equalities and Diversity

5.5.1 Pursuant to section 149 of the Equality Act, 2010, the council has a public sector duty to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between those with a protected characteristic and those without; promoting good relations between those with a protected characteristic and those without. The, relevant, 'protected characteristics' are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to elimination discrimination

5.5.2 Effective systems of anti-fraud provide assurance on the effective allocation of resources and quality of service provision for the benefit of the entire community.

#### 5.5 Consultation and Engagement

5.6.1 None

### 6. BACKGROUND PAPERS

6.1 Delegated Powers Report (ref: BT/2004-05 -2 March 2004) - The Corporate Anti-Fraud Team (CAFT) was launched on 7th May 2004

6.2 Audit Committee 30 April 2015 (Decision item 11) – the Audit committee included in the Committee Forward Work Programme for 2015/16 that quarterly progress reports on the work of the Corporate Anti-Fraud Team be produced to this meeting:  
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=144&MId=7810&Ver=4>

6.3 Audit Committee 30 April 2015 (Decision Item 8) – the Audit committee approved the Internal Audit and CAFT Annual Plan and Strategy and Risk Management Approach and internal audit charter:  
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=144&MId=7810&Ver=4>

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# Corporate Anti-Fraud Team (CAFT) Progress Report: October – December 2015

**14<sup>th</sup> January 2016**  
**Clair Green**  
**Assurance Assistant Director**

## **Introduction**

This report covers the period 1<sup>st</sup> October 2015 – 31<sup>st</sup> December 2015 and represents an up-to-date picture of the work undertaken by Corporate Anti-Fraud Team (CAFT) during that time.

All CAFT work is conducted within the appropriate legislation and through the powers and responsibilities as set out within the financial regulations section of the Council's constitution. CAFT supports the Chief Operating Officer in fulfilling his statutory obligation under section 151 of the Local Government Act 1972 to ensure the protection of public funds and to have an effective system of prevention and detection of fraud and corruption. It supports the Council's commitment to a zero tolerance approach to fraud, corruption, bribery and other irregularity including any Money Laundering activity.

Work processes in the team are designed for maximum efficiency and as such all functions are intrinsically linked and are dependent on each other in order to ensure CAFT continue to provide an efficient value for money counter fraud service and that is able to investigate all referrals or data matches to an appropriate outcome. CAFT provide advice and support to every aspect of the organisation including its partners and contractors. This advice varies between fraud risk, prevention and detection, money laundering and other criminal activity as well as misconduct and misuse of public funds. Some of the matters will progress to criminal investigation and others will not, but in all cases appropriate actions, such as disciplinary are taken. It is this element of the work of CAFT that is hard to quantify statistically.

## **Contents**

1. Performance Indicators
2. Noteworthy Investigation Summaries

## 1. Performance Indicators

Table 1 provides an update against all performance indicators as set out within the 2015/16 counter fraud plan. No targets are set against each of these indicators, as they are the results of CAFT re-active and continuous investigation work.

Table 1

Performance Indicator	Quarter 3 October – December Progress	Comments
<b>Corporate Fraud Team</b> deal with the investigation of any criminal and fraud matters (except Benefit and Tenancy related fraud) attempted or committed within or against Barnet such as internal employee frauds, frauds by service recipients and any external frauds.. They work in partnership with UKBA, Police and HM Revenue and Customs to ensure that the public purse is adequately protected		
Number of carried forward Fraud investigations from Q2	27	
Number of new fraud investigations	30	
Total Number of closed fraud investigations	36	
Total number of on-going fraud investigations	21	Of these 21 investigations, 3 investigations, relate to Barnet Homes, 12 relate to *Blue Badge, 1 relates to planning, 3 relate to waste and recycling, 1 relates to catering and 1 relates to direct payments.  Details of cases are reported on closure if fraud is proven or another sanction given.
<p><b>*Blue Badge Misuse and Fraud</b></p> <p>From 1st October 2015 The CAFT became responsible for the investigation of Blue Badge Misuse as well as Blue Badge fraud.</p> <p>22 referrals were received from the beginning of this quarter. Of these 7 badges have been seized and 2 are being considered for Prosecution (1 for fraud and 1 for Misuse). 9 warning letters for misuse have been issued and 2 PCNs issued with no further action being taken. A further 2 misuse cases were closed as insufficient evidence. As stated above there are currently 12 on-going investigations into Blue Badge Fraud and misuse.</p>		
Number of prosecutions this quarter.	0	
Number of staff no longer employed as a result of investigations.	3	Please refer to noteworthy investigations sections of the report for further details
Number of school places withdrawn as a result of CAFT intervention / investigation.	1	Please refer to noteworthy investigations section of the report for further details
<b>Financial Investigations</b> - a Financial Investigation under the Proceeds of Crime Act 2002 ensures that any persons subject to a criminal investigation by Barnet do not profit from their criminal action		
Number of carried forward Financial investigations from Q2	12	
Number of new Financial investigations	3	

Number of closed Financial investigations	1	Please refer to noteworthy investigations sections of the report for further details
Total Number of on-going Financial investigations	14	Of these 14 investigations, 1 relates to LBB assisting LB Waltham Forest with a financial case into a benefit fraud, 1 case relates to Tenancy fraud, 6 relate to Benefit Fraud and the recovery of funds back to the council, 3 relate to Planning, 1 relates to Trading Standards, 1 relates to direct Payments and 1 relates to schools finance.
Number of requests authorised for surveillance in accordance with Regulation of Investigatory Powers Act 2000 (RIPA).	0	This statistic is reported for information purposes in accordance with our statistical return to the Office of Surveillance Commissioners
Number of referrals received under the council's whistleblowing policy.	<p>One whistleblowing referral was received this quarter.</p> <p>This alleged both criminal activity and impropriety within the Street Scene Delivery Unit particularly around the Council Depot Operations and work practices.</p> <p>Due to the varying nature of allegations within the referral it was decided to approach the issues by conducting a CAFT investigation into some specific elements of the referral and address the other elements by conducting a joint Internal Audit and CAFT review covering all of the Street Scenes operations.</p> <p>The joint is audit review has now concluded with a 'No Assurance' report being issued and a number of high priority recommendations being made. Details of this report can be found within the Internal Audit Quarter Three progress report.</p> <p>The CAFT investigation has also now concluded with no evidence of criminal activity being found relating to the allegations. However CAFT did make recommendations to the service regarding consideration of disciplinary action for some staff members in relation to non-compliance with council policy.</p>	
<p><b>Tenancy Fraud Team</b> prevent, identify, investigate, deter and sanction or prosecute persons that commit tenancy fraud in Barnet, ensuring maximising properties back to the council where Tenancy Fraud has been proven.</p>		
Number of carried forward Tenancy Fraud investigations from Q1	87	Of the 110 on-on-going investigations there are currently 5 cases with legal awaiting criminal hearings and 5 cases awaiting civil hearings.
Number of new Tenancy Fraud investigations	140	
Total Number of closed Tenancy Fraud investigations	117	
Total number of on-going Tenancy Fraud Investigations.	110	

Number of properties recovered	37	There have 37 properties recovered this year so far. The savings that this number of recovered properties equates to is £5.550m* (*according to audit commission calculation of £150k per recovered property)
Number of 'Right to Buy' applications denied as a result of CAFT intervention	16	The savings in discounts that were offered to tenants in the right to buy scheme are in the region of £814,720
Number of Homeless Applications denied as a result of CAFT intervention	5	We have been working pro-actively with the housing options team and this is starting to have an positive effect in relation to ensuring new applications are genuine and valid.

## 2. Noteworthy investigations summaries:-

### Tenancy Fraud

**Mrs N** had a two bedroom property in the EN5 area. This case was looked into as part of an exercise undertaken with Circle 33 Housing where we looked into all their properties in our area. Mrs N had been a tenant since 1993. Intelligence checks showed many links to another address in the Isle of Wight. Mrs N was interviewed under caution regarding the matter and denied living in the Isle of Wight, even though checks had shown her to be in employment there and her daughter going to school there. Following the interview with CAFT, Mrs N agreed to relinquish the tenancy of the property. Nomination rights are then given to Barnet Homes to rehouse a tenant into the property.

**Mr U** had a two bedroom property in the N11 area. A CAFT data matching exercise undertaken against all Barnet Homes tenants showed up a possible discrepancy in this tenancy. It showed Mr U as having many links to another address in the Borehamwood area. Visits were undertaken simultaneously to the tenants address and the address in Borehamwood. The tenant was at the address in Borehamwood and another person was resident in the Barnet Homes property. Following discussions with CAFT, Mr U agreed to relinquish the Barnet Homes property with immediate effect.

**Mr T** submitted an application to succeed his late grandfathers one bedroom property in NW7, stating that he had resided in the property for 12 months prior to his grandfather passing away. The case was referred from Barnet Homes, who had concerns that he had not been resident at all. Intelligence checks linked him to another property in NW7 and we could find nothing actually linking him his late grandfather's property. Mr T was asked to attend an interview under caution. He attended with his solicitor and gave a pre-prepared statement stating he had not submitted a false application to succeed the property. He made no further comment during the interview. However, shortly afterwards, he returned the keys to the property and withdrew his application to succeed the tenancy to the property.

**Mr A** was in temporary accommodation. Barnet Homes contacted CAFT as they had concerns he was not resident at the placement. CAFT undertook Intelligence checks and as such we were satisfied that Mr A was not residing in the property. Contact was made with Mr A and he relinquished the property and returned the keys.

**Mr G** had a two bedroom in the HA8 area. He submitted a right to buy application and CAFT were asked to look into the application to verify the details. Intelligence checks showed that Mr G had been out of the country for lengthy periods but had recently returned to the UK. During interview it was established that he always had intention to return to his property but as he had been away for a period of time he decided to withdraw his right to buy application



## **Corporate Fraud**

### **Schools Admission Investigation – East Barnet School**

A referral was received relating to a school application at East Barnet School stating that a child on their waiting list was not living at the address stated and that the address given was a family member whose address was being used as it was inside the catchment area.

CAFT Intelligence checks revealed that the child's family address was in fact different to that stated to the school and the child was included on a live benefit claim at an address outside the catchment area for the school. The school place was therefore withdrawn and the applicant has now been placed back on the waiting list at their true address, which will therefore mean they will not be offered a place at East Barnet School in the future.

### **Operation BOLIVAR – Street Scene Refuse Collection**

An allegation was received regarding a refuse crew who were suspected of taking cash in exchange for either removing rubbish that should not have been collected from traders as there was no contract in place or collecting excess waste from traders for money over and above the allocated bins that formed part of the traders existing contract with LBB. CAFT initiated an investigation and the CCTV footage taken from the refuse vehicle was viewed and evidence of exchanges between members of the refuse crew and traders was identified.

One member of the crew resigned as soon as he was aware that the allegation was being looked into, a second member of the crew resigned upon receiving a letter from CAFT requesting that he attend an interview under caution and the third crew member was dismissed following CAFT investigation and disciplinary action.

Two of the three operatives were interviewed under caution and a prosecution case against all three crew members has commenced for the offences of Abuse of Position under the Fraud Act 2006, they are due to appear at Willesden Magistrates court on 16<sup>th</sup> February 2016.

### **Financial Investigation – Proceeds of Crime (POCA) into Mr SABET**

Mr SABET was investigated by CAFT and convicted of benefit fraud in March 2012. He was at the time sentenced to 9 months imprisonment for a fraud that spanned 7 years with a total benefit overpayment of approx. £36,000 spread between, LB Barnet, Enfield, Haringey and the DWP. The case was featured on Saints and scroungers in 2014.

As the lead investigating authority Barnet initiated a financial investigation into Mr SABET's after noting a number of unusual transactions within his personal accounts. The financial investigation concluded in December 2015 when a confiscation hearing took place at Wood Green Crown Court, the judge made a confiscation order against Mr SABET for the sum of £71,880 as well as a compensation order of £18,120 to cover the outstanding balance of his overpayment. *(Under the Governments Incentivisation scheme Local authorities carrying out Proceeds of Crime Investigations receive 37.5% of any proceeds that is confiscated from criminals who have benefited from their criminal activity. 12.5 % is given to the courts for the administration costs and 50% goes directly to the Treasury).*

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	<p><b>Audit Committee</b> <b>28<sup>th</sup> January 2015</b></p>
<p style="text-align: right;"><b>Title</b></p>	<p><b>Annual Audit Letter 2014/2015</b></p>
<p style="text-align: right;"><b>Report of</b></p>	<p>Chief Operating Officer and Director of Finance</p>
<p style="text-align: right;"><b>Wards</b></p>	<p>All</p>
<p style="text-align: right;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: right;"><b>Enclosures</b></p>	<p>Appendix A – Annual Audit Letter 2014/2015</p>
<p style="text-align: right;"><b>Officer Contact Details</b></p>	<p>Paul Thorogood – Assistant Director, CSG Finance Service Paul.Thorogood@capita.co.uk</p>

### Summary

The purpose of the Annual Audit Letter is to summarise the key issues identified by the Council’s previous External Auditor, Grant Thornton UK LLP, during their audit and inspection activity. The letter is designed to communicate messages to the Council and external stakeholders, including members of the public.

This covering report extracts the key messages from within the Annual Audit Letter 2014/2015, which is attached to this report in Appendix A.

The following points are drawn to the attention of the Committee:

An unqualified opinion on the Statement of Accounts for 2014/2015 was given by the External Auditors, confirming that the accounts give a true and fair view of the Council’s financial position as at 31 March 2015 and it’s income and expenditure for the 2014/2015 financial year.

The unqualified audit opinion was provided on 29 September 2015 which was within the statutory deadline.

An unqualified conclusion was provided by the External Auditors in respect of the Council’s

arrangements for securing economy, efficiency and effectiveness in its use of resources.

An unqualified opinion on the Whole of Government Accounts submission for 2014/2015 was given by the External Auditors.

The External Auditors have completed the 2014/2015 grant claim. Further detail on this are provided within the External Auditors grant certification report, considered elsewhere on the Committee agenda.

The Audit Fee for 2014/2015 was £226.7k which is similar to those made in 2013/14 (£224.1k).

The Grant Certification Fee for 2014/2015 is £27.1k. The number of certifications has reduced from two to one resulting in a lower rate than in the previous year of £1.7k.

In addition the Council has also commissioned the services of Grant Thornton to audit the following claims which require an external auditor approval. The charge for these additional services is £12.6k.

- Teachers Pension claim for 2013/2014 and 2014/2015
- Pooling of Housing Capital Receipts certification

## **Recommendations**

- 1. That the External Auditor's Annual Audit Letter for 2014/2015 be accepted as a reasonable statement on the Council's position in respect of the Audit of the Accounts, Financial Performance, Value for Money and Financial Resilience.**
- 2. That the Committee consider whether there are any areas on which they require additional information.**

### **1. WHY THIS REPORT IS NEEDED**

- 1.1 The Audit Commission's Code of Audit Practice requires auditors to prepare an annual audit letter and issue it to each audited body.
- 1.2 The purpose of preparing and issuing annual audit letters is to communicate to the audited body and key external stakeholders, including members of the public, the key issues arising from auditors' work, which auditors consider should be brought to the attention of the audited body. The annual audit letter covers the work carried out by auditors since the previous annual audit letter was issued on 29<sup>th</sup> January 2015.

### **2. REASONS FOR RECOMMENDATIONS**

- 2.1 So that the Council can consider the external auditor's annual letter, be able to comment on the scope and depth of external audit work and to ensure it gives value for money.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 None

### **4. POST DECISION IMPLEMENTATION**

- 4.1 None

### **5. IMPLICATIONS OF DECISION**

#### **5.1 Corporate Priorities and Performance**

- 5.1.1 The Annual Audit Letter summarises the key performance issues and achievement of the Council. Those areas of weakness must be addressed over the coming year, failure to do so carries the risk of adverse financial and/or reputational consequences. This supports the Council's corporate priorities as expressed through the Corporate plan.

#### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 This report deals with the Council's audit of the accounts, financial performance, value for money and financial resilience. The External Auditor provided an unqualified opinion with regards to the Council's arrangements to ensure economy, efficiency and effectiveness in its use of resources.

#### **5.3 Legal and Constitutional References**

- 5.3.1 The Accounts and Audit (England) Regulations 2011 requires that, as soon as reasonably possible after receipt of the annual letter from the auditor, the members of the Committee must meet to consider it and following that consideration must:

- Publish the annual audit letter received from the Auditor; and
- Make copies available for purchase by any person on payment of such sum the Council may reasonably require. The council do not currently charge for requested copies.

- 5.3.2 The Council's Constitution, Responsibility for Functions - the functions of the Audit Committee are detailed and include "To consider the external auditor's annual letter, relevant reports and the report to those charged with governance". and "to comment on the scope and depth of external audit work and to ensure it gives value for money"

#### **5.4 Risk Management**

- 5.4.1 The Annual Audit Letter has many positive things to say about the Council,

but also highlights areas of weakness that must be addressed over the coming year. Failure to do so carries the risk of adverse financial and/or reputational consequences.

## **5.5 Equalities and Diversity**

5.5.1 There are no matter of equalities and diversity arising from the content of this report.

## **5.6 Consultation and Engagement**

There are no consultations or engagements relevant to this report

## **6. BACKGROUND PAPERS**

6.1 None

# The Annual Audit Letter for London Borough of Barnet

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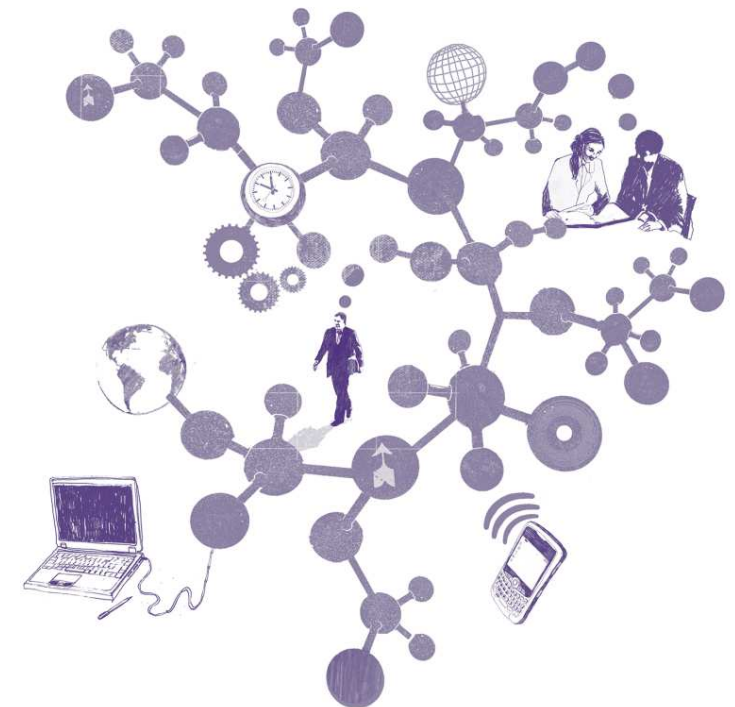
**Year ended 31 March 2015**

October 2015

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# Contents

<b>Section</b>	<b>Page</b>
1. Key messages	3

## **Appendices**

- A Key issues and recommendations
- B Summary of reports and audit fees



# Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at London Borough of Barnet ('the Council') for the year ended 31 March 2015.

The Letter is intended to communicate key messages to the Council and external stakeholders, including members of the public. Our annual work programme, which includes nationally prescribed and locally determined work, has been undertaken in accordance with the Audit Plan that we issued on 13 April 2015 and was conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission and Public Sector Audit Appointments Limited.

## **Financial statements audit (including audit opinion)**

We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 30 July 2015 to the Audit Committee. The key messages reported were:

- Following discussions with the finance team at the Council, it was agreed that group financial statements would be produced. This was on the basis of revised technical guidance in relation to materiality, alongside the increasing complexity within the group structure that the Council anticipates in future years.
- As in the prior year, our review of asset valuations identified that the Council has a different interpretation of the Code requirements regarding the regularity of revaluations. Our view of the guidance is that whole classes of assets should be revalued within a single year to avoid reporting a mixture of values at different dates. The Council interprets that a rolling programme of revaluations is sufficient on the basis of the Code requirement allowing for rolling revaluations over a 'short period' of three to five years. Whilst we highlighted this difference in interpretation, we were satisfied that any difference in valuation as a result of the different interpretations is unlikely to be material.
- Following updates to the Code there were changes to the requirements around the recognition of school land and buildings on local authority balance sheets. The Council completed a review of all schools which confirmed that the existing accounting treatment remained appropriate. Our review of the work performed by the Council did not identify any issues with its approach.
- The Council has introduced a new ledger system from 1 April 2014 following the move from SAP to Integra which is hosted by Capita. Our IT experts completed a review of the controls in place over the system with no significant issues being identified. In addition, we completed a line by line reconciliation to ensure that the closing trial balance per the SAP system agreed to the opening trial balance per the Integra system. No issues were noted as part of this review.

We issued an unqualified opinion on the Council's 2014/15 financial statements on 29 September 2015, meeting the deadline set by the Department for Communities and Local Government. Our opinion confirms that the financial statements give a true and fair view of the Council's financial position and of the income and expenditure recorded by the Council.

## Key messages continued

<b>Value for Money (VfM) conclusion</b>	<p>We issued an unqualified VfM conclusion for 2014/15 on 29 September 2015.</p> <p>On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015.</p> <p>In common with local authorities nationally, the financial challenges facing the Council are significant. The Council is, however, meeting these challenges well and has good arrangements in place to ensure it remains resilient to deal with new financial risks as they emerge.</p>
<b>Whole of Government Accounts</b>	<p>We reviewed the consolidation pack which the Council prepared to support the production of Whole of Government Accounts. We reported that the Council's pack was consistent with the audited financial statements.</p>
<b>Certification of housing benefit grant claim</b>	<p>We are currently in the process of certifying the Council's 2014/15 Housing Benefit Subsidy claim. Initial certification of the 60 cases has resulted in the requirement to complete 40+ testing. Once our certification of the claim is complete we will report in full on the findings of our work to the Audit Committee.</p>
<b>Audit fee</b>	<p>Our planned fee for 2014/15 was set out in the Audit Plan as £226,700, excluding VAT, which was in line with our fee in the previous year. Further detail (including the certification fee) is included within Appendix B.</p>

# Appendix A: Key issues and recommendations

This appendix summarised the significant recommendations identified during the 2014/15 audit.

No.	Issue and recommendation	Priority	Management response/ responsible office/ due date
1.	<b>Journal authorisation:</b> The Council should include a requirement for all journals to be authorised on Integra in order to ensure a clearly documented journal approval on the system	Medium	Agreed  Responsible officer: Paul Thorogood Due date: September 2015
2.	<b>IT controls:</b> The Council should ensure that the points raised in relation to the Integra system are resolved going forward	Medium	Agreed  Responsible officer: Andrew Gee Due date: January 2016

# Appendix B: Reports issued and fees

We confirm below the fees charged for the audit and non-audit services.

## Fees for audit services

	Per Audit plan £	Actual fees £
Council Audit Fee	226,700	226,700
Grant certification fee (i)	27,080	TBC
<b>Total audit fees</b>	<b>253,780</b>	<b>TBC</b>

(i) Certification of grant claims and returns is on-going, so this remains a work in progress at the date of this letter. Based on the work completed to date, we expect our fees to be in line with the scale fee above. Confirmation of the final fee will be included within the separate Certification Report later in the year

## Reports issued

Report	Date issued
Audit Plan	April 2015
Audit Findings Report (AFR)	July 2015
VfM – Financial Resilience Report (included within the AFR)	July 2015
Certification Report (on completion of certification work)	December 2015
Annual Audit Letter	October 2015

## Fees for other services

Service	Fees (£)
<b>Audit related services</b>	
Certification of the Teachers' Pensions claim (1314)	4,829
We have agreed with the Council to complete the certification work on the following claims. This work is yet to be completed, but indicative fees have been included below.	
- Teacher's Pensions certification	5,000
- Pooling of Housing Capital Receipts certification	2,750
<b>Non-audit related services</b>	
None	



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	<h2>Audit Committee</h2> <h3>28<sup>th</sup> January 2015</h3>
<p style="text-align: right;"><b>Title</b></p>	<p><b>Grants Certification Work Report 2014/2015</b></p>
<p style="text-align: right;"><b>Report of</b></p>	<p>Chief Operating Officer and Director of Finance</p>
<p style="text-align: right;"><b>Wards</b></p>	<p>All</p>
<p style="text-align: right;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: right;"><b>Enclosures</b></p>	<p>Appendix A – Certification Work Report 2014/2015</p>
<p style="text-align: right;"><b>Officer Contact Details</b></p>	<p>Paul Thorogood – Assistant Director, CSG Finance Service Paul.Thorogood@capita.co.uk</p>

## Summary

The purpose of the report is to consider the report from the External Auditors on the Council’s management arrangements in respect of the certification process for grants.

The Council submitted one grant claim and return to government departments and other bodies requiring external audit certification in 2014/2015, representing a claim value of £260.5m.

Key messages from the External Auditors are as follows:

- The claim was submitted and certified within the required deadlines.
- The claim was certified, requiring amendment and qualification.
- The Council has appropriate arrangements to compile complete, accurate and timely claims/returns for audit certification.

The following performance is drawn to the attention of this Committee. It summarises the Council’s performance against key certification performance targets and prior year’s performance:

<b>Performance Measure</b>	<b>Target</b>	<b>Performance 2013/2014</b>	<b>Performance 2014/2015</b>
Number of claims	N/A	2	1
Claims submitted on time	100%	100%	100%
Claims certified on time	100%	100%	100%
Claims amended by the Auditor	0	1	1
Claims qualified by the Auditor	0	1	1

Overall the Council's performance in preparing claims and returns is broadly consistent with 2013/2014.

In 2014/2015 the total number of claims requiring certification fell from 2 to 1, the claim no longer requiring certification is the Pooling of Housing Capital Receipts (CGB06).

In 2014/2015 the Housing and Council Tax Benefit claim was qualified. It should be noted that this is a complex return and it is not unusual for this return to be subject to qualification. The return received an amendment of £0.016m on the £260.538m claim.

The fee paid to the Auditors for certification work for 2014/2015 was £27.1k which is a reduction of £1.7k from 2013/14.

## **Recommendations**

- 1. That the Committee note the report.**
- 2. That the matters raised by the External Auditors relating to the grant submission and certification process are noted by the Committee**
- 3. That the Committee consider whether there are any areas on which they require additional information.**



## **1. WHY THIS REPORT IS NEEDED**

- 1.1 The Audit Commission's Code of Audit Practice requires auditors to prepare an annual Grant Certification report and issue it to each audited body. The Local Audit and Accountability Act 2014 gave the Secretary of State power to transfer Audit Commission responsibilities to other bodies. Public Sector Audit Appointments (PSAA) have taken on the transitional responsibilities for Housing Benefit Count issued by the Audit Commission in February 2015.
- 1.2 The purpose is to provide assurance to the grant paying bodies. The Council's External Auditor review and certify the claims.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 So 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.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 None

## **4. POST DECISION IMPLEMENTATION**

- 4.1 None

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 The Grants Report addresses fundamental aspects of management arrangements in Barnet that relate to the Council's 'Better Services with Less Money' corporate priority.

### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

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

### **5.3 Legal and Constitutional References**

- 5.3.1 The recommendations of this report do not give rise to any specific legal issues.
- 5.3.2 The Council's Constitution, Responsibility for Functions - the functions of the Audit Committee are detailed and include "To consider the external auditor's annual letter, relevant reports and the report to those charged with governance" and "To consider specific reports as agreed with the external auditor."

#### 5.4 **Risk Management**

- 5.4.1 The Grants Certification Work Report summarises Grant Thornton'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.

#### 5.5 **Equalities and Diversity**

- 5.5.1 The Grants Certification Work Report covers the arrangements in place for securing grants across services within the authority. This in turn impacts on all members of the community.

#### 5.6 **Consultation and Engagement**

- 5.6.1 There are no consultations or engagements relevant to this report.

### 6. **BACKGROUND PAPERS**

None



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10 December 2015

Dear John

## **Certification work for London Borough of Barnet for year ended 31 March 2015**

We are required to certify certain claims and returns submitted by London Borough of Barnet ('the Council'). This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

The Local Audit and Accountability Act 2014 gave the Secretary of State power to transfer Audit Commission responsibilities to other bodies. Public Sector Audit Appointments (PSAA) have taken on the transitional responsibilities for HB COUNT issued by the Audit Commission in February 2015

We have certified one claim and return for the financial year 2014/15 relating to expenditure of £260.5 million. Further details of the claim certified are set out in Appendix A.

There were no significant issues arising from our certification work which we wish to highlight for your attention. The Housing Benefits claim was subject to minor amendments and a qualification as set out in Appendix A. We are satisfied that the Council has appropriate arrangements to compile complete, accurate and timely claims/returns for audit certification.

The indicative fee for 2014/15 for the Council is based on the final 2012/13 certification fees, reflecting the amount of work required by the auditor to certify the claims and returns in that year. Fees for schemes no longer requiring certification under the Audit Commission regime (such as the national non-domestic rates return, teachers pensions return and pooling housing capital receipts return) have been removed. The indicative scale fee set by the Audit Commission for the Council for 2014/15 is £27,080. This is set out in more detail in Appendix B.

Yours sincerely

For Grant Thornton UK LLP

**Appendix A - Details of claims and returns certified for 2014/15**

<b>Claim or return</b>	<b>Value (£)</b>	<b>Amended?</b>	<b>Amendment (£)</b>	<b>Qualified?</b>	<b>Comments</b>
Housing benefits subsidy claim (BEN01)	260,538,399	Yes	16,551	Yes	<p>Initial testing of 20 cases for each benefit type identified two cases with errors in relation to non HRA rent rebates and HRA rent rebates. This resulted in a requirement for two cases of 40+ testing.</p> <p>From the additional cases tested, we identified three further errors in relation to non HRA rent rebates.</p> <p>Based on the nature of the population and the variation in the errors found, it was considered unlikely that even significant additional work would result in amendments to the claim form that would have enabled us to conclude that it was fairly stated.</p>

**Appendix B: Fees for 2014/15 certification work**

<b>Claim or return</b>	<b>2013/14 fee (£)</b>	<b>2014/15 indicative fee (£)</b>	<b>2014/15 actual fee (£)</b>	<b>Variance (£)</b>	<b>Explanation for variances</b>
Housing benefits subsidy claim (BEN01)	28,822	27,080	27,080	(1,742)	Fee remains in line with indicative fee.

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	<h2 style="margin: 0;">Audit Committee</h2> <h3 style="margin: 0;">28<sup>th</sup> January 2015</h3>
<p style="text-align: right;"><b>Title</b></p>	<p><b>External Auditor Progress Report</b></p>
<p style="text-align: right;"><b>Report of</b></p>	<p>Chief Operating Officer and Director of Finance</p>
<p style="text-align: right;"><b>Wards</b></p>	<p>All</p>
<p style="text-align: right;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: right;"><b>Enclosures</b></p>	<p>Appendix A – BDO Audit Progress Report</p>
<p style="text-align: right;"><b>Officer Contact Details</b></p>	<p>Paul Thorogood – Assistant Director, CSG Finance Service Paul.Thorogood@capita.co.uk</p>

## Summary

In line with International Standard on Auditing 260 (ISA 260) the Council’s external auditors, BDO, should be provided with access to those charged with governance which in the Council’s case is the Audit Committee.

BDO are the Council’s appointed external auditors for the 2015/16 financial year, replacing Grant Thornton. At previous committees a verbal update was provided, when necessary, from the external auditors. It has been agreed that for this quarter and future committees a written report will be provided.

Appendix A to this report provides a progress report from BDO on their progress of external audit activities for 2015/16. This report does not include audit progress for the Barnet Pension Fund as this will be presented to the Pension Fund Committee at their meeting in February 2016.

## Recommendations

1. That the Committee note the content of Appendix A.

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 The Council's external auditors have unrestricted access to those charged with governance which is the Audit Committee for the Council and the Pension Fund Committee for the Barnet Pension Fund.
- 1.2 Quarterly updates on audit progress are provided to the Audit Committee by the external auditors to highlight progress, concerns, issues and risks.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 None.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 None.

## **4. POST DECISION IMPLEMENTATION**

- 4.1 None.

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 The audit progress report allows risks to the external audit process to be highlighted, which could highlight key performance issues and achievement of the Council objectives. Those areas of weakness must be addressed over the coming year, failure to do so carries the risk of adverse financial and/or reputational consequences. This supports the Council's corporate priorities as expressed through the Corporate plan.

### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 This report deals with the Council's audit of the accounts, financial performance, value for money and financial resilience and highlights any potential concerns before the final audit on the Council's arrangements to ensure economy, efficiency and effectiveness in its use of resources.

### **5.3 Legal and Constitutional References**

- 5.3.1 The International Standards of Accountancy allow the external auditors access to those charged with governance. The Council produces its financial statements in line with the standards.

- 5.3.2 The Council's Constitution, Responsibility for Functions - the functions of the Audit Committee are detailed and include "To consider the external auditor's



annual letter, relevant reports and the report to those charged with governance”. and “to comment on the scope and depth of external audit work and to ensure it gives value for money”

#### **5.4 Risk Management**

5.4.1 The progress report over the course of a year highlights areas of good control and areas of weakness which need to be addressed by the Council. Failure to do so carries the risk of adverse financial and/or reputational consequences.

#### **5.5 Equalities and Diversity**

5.5.1 There are no matter of equalities and diversity arising from the content of this report.

#### **5.6 Consultation and Engagement**

There are no consultations or engagements relevant to this report.

### **6. BACKGROUND PAPERS**

6.1 None

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# LONDON BOROUGH OF BARNET

## Audit Progress Report

January 2016



# INTRODUCTION

## Background

This report is intended to provide the Audit Committee with an outline of our proposed work for 2015/16.

The Local Audit and Accountability Act 2014 makes the Comptroller and Auditor General of the National Audit Office responsible for the preparation, publication and maintenance of the Code of Audit Practice.

The Code sets out what local auditors are required to do to fulfil their statutory responsibilities under the Act:

### Audit of the financial statements

- to be satisfied that the accounts present a true and fair view, and comply with the requirements of the enactments that apply to them
- to be satisfied that proper practices have been observed in the preparation of the accounts

### Value for money arrangements

- to be satisfied that the organisation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources

### Reporting

- to issue an audit plan that sets out how the auditor intends to carry out their duties
- to report the findings of the audit to those charged with governance
- to express an opinion on the accounts
- to form an opinion on the organisation’s arrangements to secure economy, efficiency and effectiveness in the use of resources
- to issue a statement on the consolidation schedules produced for the purposes of preparing Whole of Government accounts (whether these are consistent with the financial statements)
- to certify the completion of the audit
- to issue an annual audit letter highlighting the results of the auditor’s work.

### Certification work

- to certify the authority’s Housing Benefit Subsidy claim form in accordance with instructions issued by PSAA.




### Other certification work

We also expect to perform certification work on the Pooling of Housing Capital Receipts and Teachers’ Pension returns.

### Progress to date

We have assessed whether the arrangements put in place by the authority will allow us to complete our work by the expected deadlines and whether there are any issues that are likely to have a significant impact on our ability to provide unmodified audit reports and opinions.

This is included as a ‘RAG’ assessment in the report.

ASSESSMENT		EXPLANATION
RED		Unlikely to be able to meet reporting deadlines, significant concerns over governance or finance, or expected modification of audit report or opinion.
AMBER		Some concerns around meeting reporting deadlines, some concerns over governance or finance, or potential risk of modification of audit report or opinion.
GREEN		On target to meet deadlines and no current concerns over governance or finance.
	TBC	Work not yet started or sufficiently progressed to include a ‘RAG’ assessment


Please note that this report does not cover progress on our audit of the London Borough of Barnet Pension Fund, which will be reported separately to the Pension Fund Committee.

### Tracking progress

In order to allow you to track our progress, where work has been completed and previously reported to you we have ‘greyed’ out the text.

The key completion and reporting dates are also noted in the following tables.

# AUDIT PROGRESS 2015/16

AUDIT AREA	SCOPE	PROGRESS	REPORTS / OUTPUTS	RAG
<b>PLANNING</b>				
Planning letter	We are required to provide you with a planning letter setting out the scope of the audit for the year and the proposed fees set by Public Sector Audit Appointments Limited (PSAA).	<p>We have issued our planning letter and the proposed fee for the NAO Code audit is £170,025. The proposed fee for the certification of the Housing Benefits Subsidy Claim, as set by PSAA, is £21,617.</p> <p>The above fees do not include our work on the certification of the Pooling of Housing Capital Receipts, or Teachers' Pension returns. This work now falls outside of the scope of the PSAA scale fee, and will be subject to separate terms of engagements and fees to be agreed following receipt of certification instructions from the relevant departments.</p>	<p><b>Planning Letter</b></p> <p>Issued 23 March 2015.</p>	
Audit plan	We are required to report to you the results of our audit planning, our risk assessment and the proposed audit response to significant audit risks ahead of commencement of the audit work.	Detailed audit planning commenced in late November 2015, and is currently still ongoing. This has included a planning visit to the authority in order to document key financial systems and controls. This will allow us to assess risks and agree our audit strategy for 2015/16.	<p><b>Audit Plan</b></p> <p>Audit plan to be issued at the next Audit Committee meeting.</p>	<p><b>TBC</b></p> <p>April 2016</p>
<b>FINANCIAL STATEMENTS</b>				
Review of internal controls	Review of the significant financial systems that support the financial statements to be completed before draft accounts are prepared.	<p>Preliminary review of the key financial systems, including an assessment of the design and implementation of key controls, took place in November 2015.</p> <p>Further review and testing of the operating effectiveness of selected internal controls in place at the authority will be carried out at our interim audit visit, in January and February 2016.</p>	<p><b>Report on significant deficiencies in internal controls</b></p> <p>Where appropriate, significant deficiencies in internal controls will be reported in April 2016.</p> <p>All other observations on internal controls will be reported in our Final Audit Report in July 2016.</p>	<p><b>TBC</b></p> <p>April 2016</p>

# AUDIT PROGRESS 2015/16

AUDIT AREA	SCOPE	PROGRESS	REPORTS / OUTPUTS	RAG
Financial statements audit	<p>Audit of the draft financial statements to determine whether these give a true and fair view of the authority's financial position as at 31 March 2016 and the income and expenditure for the year.</p> <p>The audit also includes a review of whether the other information published with the financial statements (such as the Narrative Statement) is consistent with the financial statements.</p>	<p>Final audit testing of the financial statements will commence in June 2016.</p> <p>The deadline for submission of the audited financial statements is 30 September 2016.</p>	<p><b>Final Audit Report</b></p> <p>The findings of our audit on the financial statements will be reported to the Audit Committee in July 2016.</p> <p><b>Auditor's report</b></p> <p>The opinion on the financial statements will be included in the auditor's report and issued following the Audit Committee's approval of the Statement of Accounts.</p>	<p><b>TBC</b></p> <p>July 2016</p> <p><b>Deadline</b></p> <p>30 September 2016</p>
Whole of government accounts	<p>We are required to provide assurance to the NAO, as auditors of the Whole of Government Accounts (WGA), to confirm the completeness and accuracy of the consolidation schedules prepared for WGA purposes. In order to gain this assurance we will carry out specific procedures as set out by the NAO, which includes agreeing the schedules to the audited accounts.</p>	<p>Review to be undertaken during the financial statements audit.</p>	<p><b>Final Audit Report</b></p> <p>The findings of our audit on the consolidation schedules will be reported to the Audit Committee in July 2016.</p> <p><b>Assurance report to NAO</b></p> <p>The deadline for reporting to the NAO has not yet been agreed.</p>	<p><b>TBC</b></p> <p>July 2016</p> <p><b>Deadline</b></p> <p>TBC</p>
<b>USE OF RESOURCES</b>				
Review of arrangements to secure economy, efficiency and effectiveness	<p>The NAO has recently published revised guidance (AGN 03) for the scope of the work on value for money arrangements for 2015/16 and supporting information for local authorities.</p> <p>We are required to be satisfied that the organisation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.</p>	<p>We monitor progress on the authority's budgeting processes, monitoring of financial performance against budgets, and monitoring of operational performance throughout the year.</p> <p>Our detailed review of these arrangements has already commenced for 2015/16, and a refresh will be undertaken during June 2016 to review financial outturn and updates to the 2016/17 financial planning cycle (during the final audit review).</p>	<p><b>Final Audit Report</b></p> <p>The findings of our audit on the authority's use of resources will be reported to the Audit Committee ahead of the submission deadline.</p> <p><b>Auditor's report</b></p> <p>The conclusion on use of resources will be issued following the Audit Committee's approval of the Statement of Accounts.</p>	<p><b>TBC</b></p> <p>July 2016</p> <p><b>Deadline</b></p> <p>30 September 2016</p>


# AUDIT PROGRESS 2015/16

AUDIT AREA	SCOPE	PROGRESS	REPORTS / OUTPUTS	RAG
<b>CERTIFICATION WORK</b>				
Housing benefit subsidy claim	<p>The scope of our certification work will be determined by PSAA, in consultation with the Department of Work and Pensions (DWP) to whom we report.</p> <p>It is expected to include a review of key controls around the production of the subsidy claim form, and testing of an initial sample of 60 benefit cases in year, followed by additional testing where issues or errors are identified.</p>	Following receipt of detailed certification instructions, we will liaise with officers to agree the most suitable timing for this work.	<p><b>Certification</b></p> <p>The deadline for our certification of the subsidy claim is 30 November 2016.</p>	<p><b>TBC</b></p> <p>November 2016</p>
Teachers' pension return	The scope of this work will be determined by the Department for Education (DfE). We are currently awaiting certification instructions in respect of 2015/16.	Following receipt of detailed certification instructions, we will liaise with officers to agree the most suitable timing for this work.	<p><b>Certification</b></p> <p>Deadline to be confirmed.</p>	<b>TBC</b>
Pooling of Housing Capital Receipts return	The scope of this work will be determined by the Department for Communities and Local Government (DCLG). We are currently awaiting certification instructions in respect of 2015/16.	Following receipt of detailed certification instructions, we will liaise with officers to agree the most suitable timing for this work.	<p><b>Certification</b></p> <p>Deadline to be confirmed.</p>	<b>TBC</b>
<b>REPORTING</b>				
Audit certificate	To certify the completion of the audit at the point that the auditor's responsibilities in respect of the audit of the period covered by the certificate have been discharged.	<p>To be issued on completion of the audit of the financial statements and review of the arrangements to secure economy, efficiency and effectiveness.</p> <p>Note that any open public objections to the accounts may delay the issue of our audit certificate until such point that these can be resolved.</p>	<p><b>Auditor's report</b></p> <p>The audit certificate to close the audit for the year will be included in the auditor's report, unless there are any open objections to the accounts which prevent this from occurring.</p>	<b>TBC</b>
Annual audit letter	Public-facing summary of our audit work and key conclusions for the year.	Annual Audit Letter to be drafted upon completion of audit work.	<p><b>Annual audit letter</b></p> <p>The key findings from our audit will be reported in the annual audit letter.</p>	<p><b>TBC</b></p> <p><b>Deadline</b></p> <p>31 October 2016</p>

## AUDIT PROGRESS 2015/16

AUDIT AREA	SCOPE	PROGRESS	REPORTS / OUTPUTS	RAG
Grants report	Summary of our certification work for the year.	To be issued following the completion of all of our grant certification work.	<b>Grants report</b> The findings of our certification of grant claims will be reported to the Audit Committee in January 2017.	<b>TBC</b>  <b>Deadline</b> 28 February 2017





The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the organisation and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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**London Borough of Barnet  
Audit Committee Work  
Programme - 2015-16**

Contact: Kirstin Lambert 020 8359 2177 [kirstin.lambert@barnet.gov.uk](mailto:kirstin.lambert@barnet.gov.uk)

Subject	Decision requested	Report Of	Contributing Officer(s)
30 July 2015			
Internal Audit Annual Report and opinion 2014/15	To consider the Internal Audit Annual Report and opinion for 2014/15	Head of Internal Audit	
Internal Audit Quarterly Progress Report (including Exception Recommendations Report)	<p>To consider summaries of specific Internal Audit reports as requested</p> <p>To consider reports dealing with the management and performance of the providers of Internal Audit services</p> <p>To consider a report from Internal Audit on agreed recommendations not implemented within a reasonable timescale</p> <p>To monitor the effective development and operation of risk management and corporate governance in the Council</p>	Head of Internal Audit	
Direct Debit Collections - April 2015	Provides the Committee with a report on a direct debit collection failure which occurred at the beginning of April 2015, and its impact on Barnet Homes for rental and leaseholder income	Chief Operating Officer (Director of Finance / Section 151 Officer)	

Subject	Decision requested	Report Of	Contributing Officer(s)
CAFT Quarterly Report	<p>To monitor the effective development and operation of the Council's Corporate Anti-Fraud Team (CAFT)</p> <p>To consider regular anti-fraud progress reports and summaries of specific fraud issues and investigation outcomes</p>	Assurance Assistant Director	
External Auditor's Report under International Standard on Auditing (ISA) 260 for the year 2014/15	To consider the External Auditors report to those charged with governance on issues arising from the audit of the Council's accounts.	Chief Operating Officer (Director of Finance / Section 151 Officer)	
Annual Governance Statement	To oversee the production of the Authority's Annual Governance Statement and to recommend its adoption	Assurance Director	
Annual Report of the Audit Committee	The Audit Committee shall prepare a report to Full Council on an annual basis on its activity and effectiveness.	Assurance Assistant Director	
5 November 2015			

Subject	Decision requested	Report Of	Contributing Officer(s)
Quarter 2 Internal Audit Progress Report	To note the progress against internal audit recommendations and work completed to date on the Internal Audit Annual Plan 2015-16 and high priority recommendations.	Head of Internal Audit	
External Audit Progress - Verbal update		Assurance Director	
28 January 2016			
External Audit Progress Report	To note the progress report from BDO on their progress of external audit activities for 2015/16.	Chief Operating Officer (Director of Finance / Section 151 Officer)	
Internal Audit Exception Recommendations Report and Progress Report up to 31st December 2015	To note the progress against internal audit recommendations and work completed to date on the Internal Audit, Corporate Anti-Fraud Team (CAFT) and Risk Management Plan 2015-16 (the Internal Audit Plan 2015-16) and high priority internal audit recommendations.	Head of Internal Audit	
Corporate Anti-Fraud Team (CAFT) Progress Report Q3 October 2015 - December 2015	This report covers the period 1st October 2015 – 31 <sup>st</sup> December 2015 and represents an up-to-date picture of the work undertaken by Corporate Anti-Fraud Team (CAFT) during that time.	Assurance Assistant Director	

<b>Subject</b>	<b>Decision requested</b>	<b>Report Of</b>	<b>Contributing Officer(s)</b>
Annual Audit Letter 2014-15	To consider the External Auditor's Annual Audit Letter for 2014/2015 on the Council's position in respect of the Audit of the Accounts, Financial Performance, Value for Money and Financial Resilience.	Chief Operating Officer (Director of Finance / Section 151 Officer)	
Grants Certification Work Report 2014/2015	The purpose of the report is to consider the report from the External Auditors on the Council's management arrangements in respect of the certification process for grants.	Chief Operating Officer (Director of Finance / Section 151 Officer)	
<b>19 April 2016</b>			
CAFT Annual Report (including final quarter)	The CAFT annual report provides a summary on the outcome of all CAFT work undertaken during 2015-16 including the objectives as set out in our annual strategy and plan	Assurance Assistant Director	
Annual External Audit Plan	This report advises the committee of BDOs Audit Plan for 2015/16	Assurance Director	
Internal Audit Quarterly Progress Report (including Exception Recommendations Report)	To note the progress against internal audit recommendations and work completed to date on the Internal Audit, Corporate Anti-Fraud Team (CAFT) and Risk Management Plan 2015-16 (the Internal Audit Plan 2015-16) and high priority internal audit recommendations.	Head of Internal Audit	

Subject	Decision requested	Report Of	Contributing Officer(s)
Internal Audit and CAFT Annual Plan and Strategy and Risk Management Approach	To approve the Internal Audit, Anti-Fraud and Risk Management Plan for 2016-17.	Head of Internal Audit	
Items to be allocated			
Ad Hoc Audit Reports	<p>To commission work from Internal and External Audit arising from the consideration of other scheduled reports subject to them being proportionate to risk identified and with agreement from the Chief Executive</p> <p>To review any issue referred to the Committee by the Chief Executive, a Director or any Council body</p>		