

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 1st October 2015 to 31st 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
Total	15

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

Title	Street Scene Operations Review <i>(Joint Internal Audit & CAFT review)</i>
Audit Opinion	No Assurance
Date of report:	November 2015
Background & Context	<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>
Summary of Findings	<p>There are 6 priority one and 6 priority two recommendations.</p> <p>The following issues, in order of significance, were noted:</p> <p>1. Recruitment - Conflicts of interest. 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. (Priority 1)</p> <p>2. Workforce Management – Governance arrangements (Priority 1)</p> <ul style="list-style-type: none"> ○ 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. ○ We found a lack of awareness of workforce policies by staff. ○ 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).

Title	Street Scene Operations Review <i>(Joint Internal Audit & CAFT review)</i>
	<ul style="list-style-type: none"> ○ 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. ○ 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. ○ We found weaknesses in the record keeping of senior management approval of workforce related decisions. ○ There was a lack of transparent approval or recording of training needs and subsequent attendance at training courses. ○ There were inconsistencies between local HR paper files held within Street Scene and what has been recorded centrally in HR Core. ○ 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. <p>3. Risk of illicit payments. 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. (Priority 1)</p> <p>4. Trade and residential waste - Refuse vehicle tracker monitoring. Control processes for identifying out of borough movements of refuse vehicles were inadequate. Pro-active reviews of related reports were not done. (Priority 1)</p> <p>5. Council fleet vehicles - Mileage / fuel usage records and monitoring. 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. (Priority 1)</p>

Title	Street Scene Operations Review <i>(Joint Internal Audit & CAFT review)</i>
	<p>6. Mill Hill depot site security – 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. (Priority 1)</p> <p>7. Side waste policy – 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. (Priority 2)</p> <p>8. Policies and procedures – staff use of all Council fleet vehicles 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. (Priority 2)</p> <p>9. PAYE for taxable benefit from private use of Council fleet vehicles - 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. (Priority 2)</p> <p>10. Policies and procedures – staff use of all Council fleet vehicles - There was no formal documented policy or procedure governing the use of the fuel pumps and fuel key operation. (Priority 2)</p> <p>11. Trade Waste Market share - 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. (Priority 2)</p>

Title	Street Scene Operations Review <i>(Joint Internal Audit & CAFT review)</i>		
	<p>12. Trade Waste Invoicing Follow-up – 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. (Priority 2)</p>		
Priority 1 recommendations, management responses and agreed action dates			
1. Recruitment - conflicts of interest			
Recommendation	Management Response	Responsible Officer	Deadline
<p>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.</p>	<p>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.</p>	<p>Human Resources Director Customer and Support Group(Capita)</p>	<p>February 2016</p>
<p>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</p>	<p>b. Agreed. The wording within the Code of Conduct will also be clarified around relationships.</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)		
<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 & 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)
3. Risk of Illicit Payments - Vehicle CCTV monitoring / Route rotation			
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
4. Refuse vehicle tracker monitoring				
Recommendation		Management Response		Responsible Officer
				Deadline

Title		Street Scene Operations Review (<i>Joint Internal Audit & CAFT review</i>)		
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	
5. Mileage / fuel usage records and monitoring				
Recommendation	Management Response	Responsible Officer	Deadline	
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)	
<p>of fitting vans with trackers for a precise record of vehicle movements to allow for the more effective monitoring of private misuse of vehicles.</p> <p>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.</p>	<p>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.</p>	<p>Improvement and Contract Management / Heads of Service</p>	
<p>6. Risk Management (CCTV and Mill Hill depot site security)</p>			
Recommendation	Management Response	Responsible Officer	Deadline
<p>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.</p>	<p>(a) Agreed. This requirement is part of the specification for the new site.</p>	<p>Head of Corporate Programmes, CSG</p>	<p>Implemented</p>
<p>b) In the interim, the broken cameras should be repaired immediately to ensure that the entire site is visible during the day.</p>	<p>(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.</p>	<p>Acting Facilities Manager CAPITA Customer and Support Group</p>	<p>27/11/2015</p>
<p>c) Security processes such as maintaining a physical presence at the fuel pump should be implemented in line with risks,</p>	<p>(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</p>	<p>Acting Facilities Manager CAPITA Customer and</p>	<p>Implemented on 18/11/2015 and will</p>

Title	Street Scene Operations Review <i>(Joint Internal Audit & 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>	

Title	Better Care Fund (BCF) and Section 75 (S75) agreement review
Audit Opinion	No Assurance
Date of report:	December 2015
Background & Context	<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"> 1. Whether the decisions of the March 2015 Policy & 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. <p><u>Existing Section 75 (S75) agreements</u></p> <ol style="list-style-type: none"> 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. 3. Whether existing S75 agreements are signed, schedules updated to reflect this financial year. 4. Whether appropriate governance and reporting arrangements are in place in line with the legal agreements. 5. Whether our schemes of delegation include S75 agreements. <p>We reviewed the following eight S75 agreements:</p> <ol style="list-style-type: none"> 1. Mental Health service provision (Barnet, Enfield and Haringey Mental Health Trust (BEHMHT) /LBB) (£9.8m total aligned budget) <p>Overarching Agreement – Children (CCG / LBB) and the related Children’s Joint Commissioning Memorandum of Understanding (MoU) Partnership Agreement</p> <ol style="list-style-type: none"> 2. Occupational Therapy (£401k total pool)

Title	Better Care Fund (BCF) and Section 75 (S75) agreement review
	<p>3. Speech & Language Therapy (£2m total pool)</p> <p>4. Looked After Children (£132k total pool)</p> <p>Overarching Agreement – Health & Social Care (Adults) (CCG / LBB)</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 & 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>Summary of Findings</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>1. BCF governance and decision making (Critical) - 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"> - 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. - 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). - 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. <p><u>Section 75 agreements</u></p> <p>2. Section 75 Agreement formalities (High) 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>3. Pooled fund / budget (High) 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>4. Pooled fund reporting and governance structure (Financial and performance) (High) 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>5. Performance / pooled budget monitoring (High) 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>6. Schemes of Delegation (High) 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>7. Statement of Accounts (High) 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>8. Training and Development (High) 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>9. S75 control self-assessment (High) 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>10. Format of S75 Agreements (Advisory) 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"> 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. 2. a detailed Service specification / Aims and objectives schedule supported by performance outcomes and a milestones plan. 3. clear reporting lines to the Health and Well Being Board which is the Constitutional body for the strategic oversight of delivery. 		
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 15th December 2015 and will be reported to the Health and Wellbeing Board on 21st 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 th December 2015 and 11 th January 2016.	

Title		Better Care Fund (BCF) and Section 75 (S75) agreement review	
<p>BCF decisions required as a result of the ongoing 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 & 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 26th 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 22nd 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>	
2. Section 75 agreement formalities			
<p>Recommendation</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"> - up to date - dated and 	<p>Management Response</p> <p><u>Adults and Health Section 75 agreements</u></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>Responsible Officer</p> <p><u>Adults and Health</u></p> <p>1 and 3: Heads of Joint Commissioning, Barnet CCG and LBB</p> <p>2 and 4: Adults Wellbeing Strategic Lead,</p>	<p>Deadline</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><u>Children's Section 75 agreements</u></p> <p>We agree to take the same action as identified above for the Adults & 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><u>Children's Section 75 agreements</u></p> <p>Commissioning Director - Children &</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	
3. Pooled fund / budget				
Recommendation	Management Response	Responsible Officer	Deadline	
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><u>Adults and Health section 75 agreements</u></p> <p>We have agreed a detailed action plan for each S75 agreement and will monitor progress against this plan.</p> <p><u>Children's Section 75 agreements</u></p> <p>Refer to Recommendation 2 above.</p>	<p>Heads of Joint Commissioning, Barnet CCG and LBB</p> <p>Commissioning Director - Children & 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	
1. Pooled fund reporting and governance structure (Financial and performance)			
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><u>Adults and Health section 75 agreements</u></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><u>Children's Section 75 agreements</u></p> <p>Refer to Recommendation 2 above.</p>	<p><u>Adults and Health section 75 agreements</u></p> <p>Heads of Joint Commissioning, Barnet CCG and LBB</p> <p>Adults Social Care Assistant Director</p> <p><u>Children's Section 75 agreements</u></p> <p>Commissioning Director - Children & 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		
<p>line to the Health and Well Being Board.</p> <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>Note: when taking Recommendation 4 forward please consider Recommendation 10 (Advisory)</p>			
4. Performance monitoring (implementation of S75 agreement structures)			
Recommendation	Management Response	Responsible Officer	Deadline
<p>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>	<p><u>Adults and Health section 75 agreements</u></p> <p>1. We have agreed a detailed action plan for each S75 agreement and will monitor progress against this plan.</p>	<p>1 & 2. As per detailed Action Plan for each S75 agreement</p>	<p>1 February 2016</p>

Title		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><u>Children's Section 75 agreements</u></p> <p>Refer to Recommendation 2 above.</p>	<p>3. Adults Wellbeing Strategic Lead Commissioning Group</p> <p><u>Children's Section 75 agreements</u></p> <p>Commissioning Director - Children & Young People</p> <p>Head of Joint Children's Commissioning Barnet Clinical Commissioning Group and Barnet Council</p>		
5. Schemes of Delegation				
Recommendation	Management Response	Responsible Officer	Deadline	
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.		
6. Statement of Accounts			
Recommendation	Management Response	Responsible Officer	Deadline
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 st May 2016
7. Training and development			
Recommendation	Management Response	Responsible Officer	Deadline
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
8. S75 control self-assessment			

Better Care Fund (BCF) and Section 75 (S75) agreement review			
Recommendation	Management Response	Responsible Officer	Deadline
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)	
Audit Opinion	Limited Assurance
Date of report:	November 2015
Background & Context	<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"> - 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; - confirming procurement processes and related documentation with contract managers and other Delivery Unit officers involved in procurement exercises; and - 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.
<p>Summary of Findings</p>	<p>There are three priority 1 and seven priority 2 recommendations.</p> <ul style="list-style-type: none"> - Contract Registers – 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. (Priority 1) - Conflicts of Interest – Procurement declaration of pecuniary interest forms were not completed at the start of each procurement exercise in line with the Officer Code of Conduct. (Priority 1) - Vendor creation and approval – 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. (Priority 1) <p>The following other issues were noted:</p> <ul style="list-style-type: none"> - Procurement method - CPR compliance - We noted 4 out of 34 instances of vendor spend exceeding CPR £10k thresholds without evidence of the required quotation exercise. (Priority 2)

Title	Compliance with Contract Procedure Rules (CPRs)		
	<ul style="list-style-type: none"> - Procurement method - waivers – 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. (Priority 2) - Training – 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. (Priority 2) - Contract repository and procurement documentation – 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. (Priority 2) - Authorisation and acceptance of procurements – DPRs for the award/acceptance of 2 vendors out of 19 tested were not found. (Priority 2) - Contract and contract value limits – Contract details such as the contract reference, contract value and contract term, were not consistently reflected in Integra for referral where necessary (Priority 2) - Transparency Code – 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. (Priority 2) 		
Priority 1 recommendations, management responses and agreed action dates			
1. Contracts Register			
Recommendation	Management Response	Responsible Officer	Deadline

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"> - periodic reconciliations between vendor spend analysis reports and contract registers are undertaken by officers responsible for contract registers to ensure that they are complete - accuracy checks be undertaken to ensure that contractual data is correct for example: <ul style="list-style-type: none"> • vendor name, • contract value/purchase order value if below £10k, 	<p><u>CSG Procurement</u></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"> - help identify contractual relationships above £5k as part of the support to DUs in the development of the Procurement Forward Plans each year. - Provide monthly vendor spend reports to the Delivery Unit Procurement lead officers, below. - emphasise this requirement in training and development and provision of ongoing advice and guidance. <p>Note: 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><u>Education and Skills</u></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"> • contract term, • end date, • expiry date, • last DPR/Committee Report reference, and • DPR/Committee Report date if above £10k 	<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><u>Family Services</u> 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><u>Street Scene</u> 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><u>Adults and Communities</u></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><u>Re</u></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>2. Conflicts of interest</p>			

Title		Compliance with Contract Procedure Rules (CPRs)	
Recommendation	Management Response	Responsible Officer	
<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><u>CSG Procurement</u></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 st March 2016
	<p><u>Education and Skills</u></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><u>Family Services</u></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><u>Street Scene</u></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><u>Adults and Health</u></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><u>Re</u></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	
3. Vendor creation and approval				
Recommendation	Management Response	Responsible Officer	Deadline	
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><u>Accounts Payable</u></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"> - Social care placement vendors and - any “historic” procurement vendor which had not been migrated from SAP to Integra but is now required in Integra. <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>Note: 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"> - Social care placement vendors and - 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. <p>Documented procedures will be communicated to the relevant officers in the DUs and CSG.</p> <p><u>Education and Skills</u></p> <p>As before, new vendor creation requests in Integra will be sent to CSG procurement on New Vendor forms.</p> <p><u>Family Services</u></p> <p>New vendor creation requests in Integra will be sent to CSG procurement on New Vendor forms.</p> <p><u>Street Scene</u></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>	

Title	Compliance with Contract Procedure Rules (CPRs)		
<p>Procedures defining any acceptable exceptions and process requirements for creating vendors, including any agreements reached between CSG Procurement and Accounts Payable, should be formally documented and communicated.</p>	<p>will continue to ensure that requests for new vendors are made on vendor creation forms submitted to CSG Procurement for their scrutiny and challenge where necessary. The requirement to fill in a vendor form, including vendors that were previously on SAP, was communicated to ordering officers/contract managers on 23 November 2015.</p> <p><u>Adults and Communities</u></p> <p>Current practice is in line with recommendations and will be continued.</p> <p><u>Re</u></p> <p>Re acts as the managing Agent for LBB so any vendor information that needs updating/creating on Integra will need to be carried out by LBB.</p>	<p>Officer, Streetscene</p> <p>Head of Care Quality Adults and Communities</p> <p>Commercial Manager - Property and Infrastructure</p>	

Title	Accounts Payable
Audit Opinion	Limited Assurance
Date of report:	December 2015
Background & Context	<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"> • Accounts Receivable - Satisfactory • General Ledger – Satisfactory • Schools Payroll - Satisfactory • Council Tax - Satisfactory • Housing Benefits - Satisfactory • NNDR - Satisfactory <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>
Summary of Findings	<p>New supplier forms</p> <p>General comments</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>Results of further testing</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:	
	September 2015 exceptions	December 2015 conclusion
	<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
Audit Opinion	Limited Assurance
Date of report:	December 2015
Background & Context	<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>Summary of Findings</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"> • <u>Property visits</u> – 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. (Finding one, priority 1) • <u>Monitoring of transactions undertaken by client affairs – Quicken/bank reconciliations</u> - 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

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. (Finding two, priority 2)</p> <ul style="list-style-type: none"> • <u>Supporting documentation for client affairs transactions</u> – 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. (Finding three, priority 2) • <u>Data protection</u> – 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. (Finding four, priority 2) • <u>Changes to standing data</u> - 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. (Finding five, priority 2) • <u>Peer review of completed transactions</u> - 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. (Finding six, priority 2)

Title		Client Affairs	
Priority 1 recommendations, management responses and agreed action dates			
1. Property Visits			
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.

	Advisory Reviews	
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>Background & Context</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"> • Strong Governance and Reporting; • Delivery Enabling Plans; • Engaged Stakeholders; and • Managed Risk and Issues.
<p>Summary of Findings</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>Priority 1 findings, management responses and agreed action dates</p>	
<p>1. Governance and Reporting</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>31st Dec 2015</p>

	arrangements are in place.		
2. Delivery Enabling Plans			
Recommendation	Management Response	Responsible Officer	Deadline
<p>2.i. Management should update the PDD to ensure that it includes the programme assumptions upon which future plans will be based;</p> <p>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;</p> <p>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;</p> <p>2.iv. The programme should develop a dependency log which includes a description of the dependency, actions required, owners and due dates for each</p>	<p>2.i. The PDD is being updated to include programme assumptions and will be presented to Programme Board in December 2015.</p> <p>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</p> <p>2.iii. Re and Barnet Homes should ensure Project Managers are trained and equipped to deliver in accordance with LBB programme and project methodology. 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>	<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>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>		
<p>3. Engaged Stakeholders</p>			
<p>Recommendation</p>	<p>Management Response</p>	<p>Responsible Officer</p>	<p>Deadline</p>
<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"> • Ensure that communication plans are in place for each of the programme's composite projects; • Produce a programme level communication plan, which includes roles assigned to own key stakeholder 	<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"> • Ensure that stakeholder feedback is collected, analysed and where appropriate, acted upon on a regular basis. 	<p>Regeneration and Growth Annual Performance Report) to provide an overview of progress and key achievements.</p>		
<p>4. Managed Risk and Issues</p>			
<p>Recommendation</p>	<p>Management Response</p>	<p>Responsible Officer</p>	<p>Deadline</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"> • Documenting programme roles and responsibilities in relation to risk and issue management; • 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; • Agreeing project escalation criteria (tolerances) for risk and issue management; • Introducing Programme level risk and issue logs (utilising the templates provided by the 	<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>31st 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">• 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.			
---	--	--	--

5. Work in progress

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

Table 2: Work in progress		
Systems Audits		Status
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
Advisory reviews		
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
Grants / Payment by Results		
24	Troubled Families Q4	Planning
Schools Audits		
25	Annunciation Junior	Fieldwork
26	Sunnyfields	Fieldwork

6. Implementation of Internal Audit recommendations

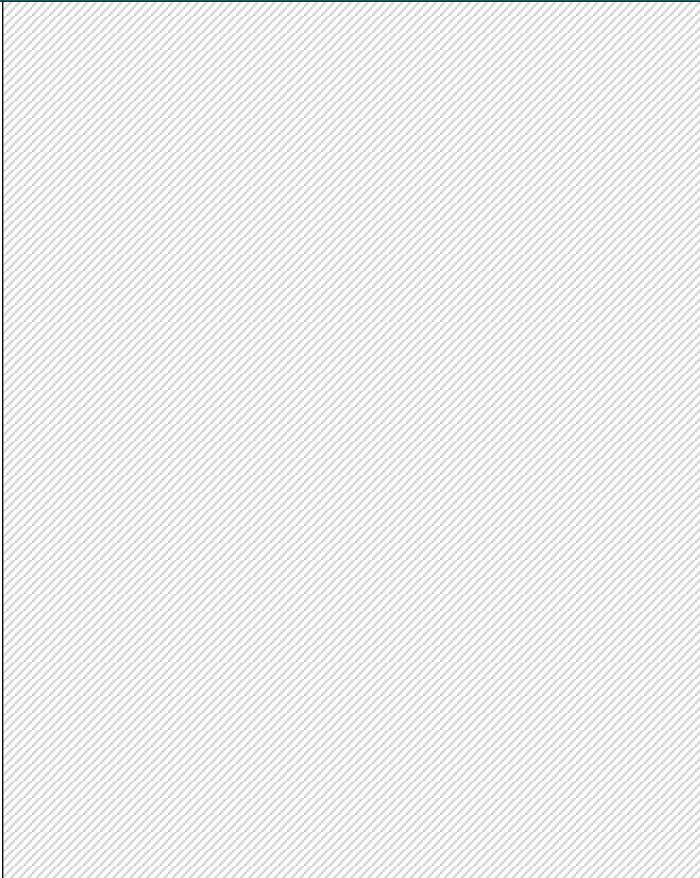
Shading	Rating	Explanation
	Implemented	The recommendation that had previously been raised as a priority one has been reviewed and considered implemented.
	Partly Implemented	Aspects of the original priority one recommendation have been implemented however the recommendation is not considered implemented 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>1. People Management – Pre-employment Checks</p> <p>June 2015</p> <p>Safer Recruitment Training & Guidance</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"> Q2, 2015/16 – The recommendation was considered Partly Implemented as the following remained outstanding: 	<p>Partly Implemented</p> <p>Disclosure & 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>2. People Management – Pre-employment Checks</p> <p>June 2015</p> <p>Monitoring of HCPC Registration</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"> • Q2, 2015/16 – The recommendation was considered Partly Implemented as the 	<p>Partly Implemented</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>of Social Workers</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 & 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>3. People Management – Pre-employment Checks</p> <p>June 2015</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"> Q2, 2015/16 – The recommendation was considered Partly 	<p>Partly Implemented</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>Accuracy and Completeness of Vetting Information</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.

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

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"> • Substantial • Satisfactory • Limited • No Assurance • N/A 	N/A	6% 55% 12% 4% 22%
Number / % of Priority 1 recommendations: <ul style="list-style-type: none"> • Implemented • Partly implemented • Not implemented 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%
Total	10	100

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 17th 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.