Internal Audit Progress Report
1 October – 31 December 2017

Cross Council Assurance Service

1.0 Summary

1.1 Purpose of this report

1.1.1 We are committed to keeping the Audit Committee up to date with Internal Audit progress and activity throughout the year. This summary has been prepared to update you on our activity since the last meeting of the Audit Committee and to bring to your attention any other matters that are relevant to your responsibilities.

1.2 Progress against the 2017/18 internal audit plan

1.2.1 We have completed 53 reviews, 67% of our 2017/18 internal audit programme for the year, 18 of which were delivered in Q3, which is above the target for the agreed profile for our work. Please see Appendix A for further narrative on our performance indicators (PIs).

1.2.2 In line with our reporting protocol with the Audit Committee we present any no assurance or limited assurance reports for discussion. For this Audit Committee, we present the following final reports, see section 2 for detail:

- **Pensions Administration** – Limited Assurance
- **CILS and S106 Expenditure** – Limited Assurance
- **Transformation – Benefits Realisation** – Limited Assurance

1.2.3 In line with our Internal Audit Charter, we also present a summary of any management letters which have included significant issues. For this Audit Committee, we present the following, see section 3 for detail:

- **Elections Annual Canvass management review**

1.3 Findings of our Follow Up Work

1.3.1 We have undertaken follow up work on all high priority actions with an implementation date of 31st December 2017 or sooner. We have discussed with management the progress made in implementing actions falling due in this period and have sought evidence to support their response.

- A total of 13 high priority actions have been followed up this quarter. 4 actions have been implemented (31%) and 8 have been partially implemented (69%). This is well below the target of 90% being implemented.

- As requested at the July 2017 Audit Committee, we have followed-up the medium priority recommendations on:
  - Nursery Places - Free Early Education Funding
  - Community Infrastructure Levy (CILS) and Section 106 (S106) – Phase I, Income

  and found them to have been implemented.

- Our 2017/18 plan included resource for following up a selection of medium priority recommendations during the year; in Q3 we have completed a follow-up of Contract Register Maintenance medium priority recommendations and found them 2 of 5 actions to have been implemented.

- ▪ Progress is summarised in Section 5.

1.4 Other Matters

1.4.1 **Family Services audits**

As part of the 2017/18 audit plan agreed by the Audit Committee in April 2017, we proposed to undertake a number of audits relating to Family Services. As reported to the Audit Committee in Q2, due to the Council having been inspected by Ofsted during the quarter, we have been working with the Director of Children's Services and the Inspection & Improvement Lead to agree the most effective way for internal audit to support the Family Services Improvement Programme.

During Q3 we have:

- Met with the Independent Chair of the Improvement Board to discuss and agree our approach.
- Mapped previous relevant internal audit recommendations to the Improvement Plan and provided details to the relevant workstream leads. During Q4 we will work with them to assure ourselves that the recommendations, where still relevant, have been implemented.
- Attended the Children's Services Operational Improvement Group and provided feedback on those meetings.
- Liaised with the Inspection and Improvement Lead on how best to support her work.
- Included a review of evidence to support Improvement Plan workstreams within relevant audits that we are already undertaking, for example within the Onboarding audit in Q4 we will be providing independent assurance over CSG HR's performance against their target for recruitment into Family Services (linked to Ofsted Improvement Plan 2c (iii) Improve recruitment system to be more effective and efficient enabling)

We will continue to report back to the Audit Committee against this on a quarterly basis.

1.5 Recommendations

- That the Audit Committee notes the progress made against our 2017/18 Internal Audit Programme.

2.0 No and Limited Assurance reports issued since the previous meeting

Pensions Administration – Limited Assurance

December 2017

Number of findings by risk rating

Critical	0
High	2 (Finding 1-2)
Medium	6 (Findings 3-8)
Low	1
Advisory	0

Summary

The administration of London Borough of Barnet's pension fund ("the fund" or "the scheme") is outsourced to Customer Support Group ("CSG", part of Capita) who are responsible for working with scheme employers to ensure that the records are kept up to date and that members are supplied with correct information regarding their pension entitlements. The Council, as administering authority, is currently subject to scrutiny by The Pensions Regulator ("TPR") in light of concerns raised when it investigated the Council's failure to submit its 2016 annual return. Correspondence between the Council and TPR highlights several weaknesses in the control environment of the fund and the Council are in regular correspondence with them to provide evidence that controls have been developed and are being embedded. The Council issued CSG with a contractual remedy notice on 25 August 2017 in light of the issues being experienced with the service. The Council also agreed a service improvement plan in August 2017 with CSG as a result of these enquiries, covering the quality assurance, project management and communications improvements needed to ensure the scheme complies with TPR's requirements. Progress against this plan is being regularly monitored at monthly senior officer meetings. It was reported to the Local Pensions Board that the 2017 scheme return was submitted on 10 November 2017, ahead of the 22 November 2017 deadline.

We found that scheme member transactions are mostly well managed through Hartlink, the pension fund administration system, but that there are weaknesses in the processes which take place outside Hartlink, such as the annual benefits statement process, and governance of scheme administration. A review of data quality has also identified significant issues and the arrangements with scheme employers means that the scheme currently has limited ways of encouraging compliance with scheme working practices. The scheme will need to invest in improving the quality of existing data and the data gathered in future. We acknowledge that this may be a costly exercise, however, the scheme has the ability to charge scheme employers for this data quality work both now and in the future under regulation 70 of The Local Government Pensions Scheme Regulations 2013, providing the reason for the rectification work is due to scheme employers failing to meet its obligations. Going forward, the scheme will also need to work more closely with employers, for example by engaging proactively when changes to membership are detected, and will need to consider both exercising its right to report employers to TPR if employers do not comply with legal requirements and charging additional costs incurred resolving issues to employers as permitted by the scheme regulations.

This audit has identified **two high, six medium and one low risk** findings.

We identified the following high risk-rated issues as part of the audit:

Scheme data quality (finding one) – A data quality review undertaken by CSG, on behalf of the Council, in

October 2017 identified that the quality of data held to identify team members is below the standards expected by TPR, with 85% of records created before June 2010 containing missing information compared to a target of 95%. We also identified that a data quality review of the data used to calculate benefits and value the fund has not been undertaken, but a review is currently being scoped. We also found that there were issues in the data provided to CSG by employers for 60% of the employers reviewed and that there was no reporting on the nature and extent of data quality issues noted. This increases the risk of inaccurate data being held by the scheme and delays in preparing annual benefits statements not being identified.

Preparation of annual benefit statements (finding two) – We found that there were weaknesses in the project management of the annual benefits statement process which meant that the results of data quality checks for a number of employers, from whom data was received in May 2017, were not communicated until mid-July 2017 reducing the period available to resolve any issues from three months to one month. We also found that there were a number of active member records for which no benefit statement was prepared due to a lack of data. This led to some members receiving annual benefit statements after the statutory deadline of 31 August 2017, or not at all. This was an area of concern raised by TPR when it considered the 2015/16 annual benefit statements process.

We identified the following medium risk-rated issues as part of the audit:

Retirement benefit calculations (finding three) – A number of retirees received their benefits over 30 days after they retired as a result of delays in notifying the scheme of their intention to retire, either by the employee or employer. We also found that annual benefit statements did not communicate the timescales involved in retirements leading to members not being aware of the timescales involved. There is a risk that retirees may not receive their benefits promptly leading to financial hardship.

Governance of scheme administration (finding four) – We found that contract monitoring meetings held to monitor the pension administration section of the CSG contract were not formally recorded by the Council and that the employer targets for the scheme administration strategy are not monitored. This could lead to the Council not identifying breaches of laws and regulations.

Communication strategy (finding five) – There was no scheme communication strategy or agreed fund administration strategy in place during the period under review. This could lead to scheme members having an expectation gap between what they expect and what is provided by the scheme or scheme records may be incomplete as a result of employers not working effectively with the administration team.

New members and impact on data quality (finding six) – The scheme does not follow up on new joiners identified outside of the usual notification process and there were duplicate records. This could lead to membership records being incomplete meaning that scheme liabilities could be understated.

Transfers (finding seven) – There were some delays in the payment of transfers out of the fund and issuing letters to scheme members once the transfer took place. This could lead to members not being aware of their entitlement or leading to breaches of legal requirements in relation to transfers out.

Breaches of law (finding eight) – The Council did not have a breaches of law policy in place until late

October 2017 and does not receive reporting on possible breaches of law. TPR also identified that CSG did not report a breach of law when 2016 annual benefit statements were issued late. The Council may not report matters required to TPR leading to them being exposed to fines or other civil action by TPR.

Management accepted our findings and agreed appropriate actions to be implemented. The dates for the actions vary, but we will bring a progress update to the Audit Committee in April 2018.

S106 and CILS Expenditure – Limited Assurance

November 2017

Number of findings by risk rating

Critical	0
High	3 (Findings 1-3)
Medium	1 (Finding 4)
Low	2
Advisory	1

Summary

We found that RE and Council management are proactively addressing some known issues with the controls and processes around CILs and S106.   This includes:

- Recruitment in 2016/17 of experienced key staff into the RE Planning Obligations team.
- Improvement of oversight and governance of CIL infrastructure spending through a CIL and S106 Officers Group (CSOG). This is chaired by the Director for Development and Regeneration, was established in April 2017 and has met monthly since that time (excluding August). To secure CIL and S106 funding, officers write and present proposals to the Group which considers the requests and then makes a recommendation to approve or reject the proposal when it reaches the Assets and Capital Board. The Group are also responsible for reviewing the progress of S106 projects and expenditure and to review the progress of allocation and expenditure of neighbourhood CIL. Due to the recent formation of the Group we were unable to comment on the operating effectiveness of this control at the time of the audit, although we did find evidence to confirm that bids were being proposed and approved in line with our expectations.
- Management confirmed that they were undertaking a reconciliation of all CIL and S106 schemes to ascertain allocation and expenditure agreed to date.
- The CIL and S106 schedules were maintained within Excel spreadsheets to assist in the management of charges and agreements. At our Phase I audit we commented that the manual nature of the process heightens the risk of data accuracy issues arising due to fraud or error. Management confirmed that the Exacom database system has been procured and is currently being implemented with CIL notices now being issued through Exacom. The Strategic Planning Infrastructure Team are currently migrating information from the manual spreadsheets into Exacom with approximately 90%

and 10% of, respectively, the historic CIL and S106 data now being held within Exacom (November 2017). The implementation of the Exacom system will reduce reliance on the manual monitoring spreadsheet and will facilitate more effective monitoring and oversight through improved reporting.

We found that improvements needed to be made with regard to the monitoring of CIL and S106 expenditure and identified a number of control weaknesses. These should be addressed as part of the work being undertaken by management to improve this area.

This audit has identified 3 high, 1 medium and 2 low risk findings. We have also raised one Advisory recommendation.

We identified the following high risk rated issues as part of the audit:

Roles, Responsibilities and Decision Making (finding 1, high rated)

- o There are a number of different teams involved in the administration of Community Infrastructure Levy (CIL) and S106 expenditure. Processes involve several departments within the Council, Re, CSG Finance and HB Public Law. Due to the number of teams involved in the process and the number of individuals within some of those teams, there are a number of dependencies and we found a lack of clarity and awareness around respective responsibilities in the administration, allocation and draw down of CIL and S106 expenditure.

- o Problems were exacerbated by key posts within the Planning Obligations team being vacant during part of 2015/16 and 2016/17, and turnover of staff in other areas.

- o We also found a lack of clarity over the authorisation required for CIL/S106 funding drawdowns.

CIL and S106 Expenditure and Monitoring (finding 2, high rated)

We inspected the S106 Schedule and found a lack of clarity around expenditure information in the S106 monitoring schedule. A full reconciliation of the data is underway to confirm whether up to £1,459,350.44 has been spent within required time periods.   The move to the EXACOM system is facilitating reconciliation, but this key task is incomplete and is necessary to ensure issues are remedied. Without resolution of this matter the funds could potentially be reclaimed. A clear position on the matter and resolution of issues is required rapidly.

Specific development non-financial obligation tracking and verification (finding 3, high rated)

We selected a sample of 12 specific S106 schemes and for the 6 where there were non-financial development obligations we traced to ensure the delivery of these had been appropriately verified. We found exceptions with 2/6 schemes (33%). The exceptions related to Travel Plans, Apprenticeship schemes and Affordable

Housing. The governance arrangements were not clear in this area in that agreements had been made with developers but these were not clearly documented and had not been reported to Committee.

We identified the following medium risk rated issues as part of the audit:

Administrative CIL (finding 4, medium rated)

We found a number of issues relating to the treatment of CIL to be spent on administrative expenses:

- At the time of the audit, for administrative expenses relating to Barnet CIL there was a lack of evidence and no clear audit trail to confirm the administrative CIL expenditure made to date and to ensure it had been in line with the legislation.

- For administration expenses relating to Mayoral CIL we found that £127,560.54 related to a narrative of 'Designated and Regulatory Services Management'. We were not provided with a detailed breakdown of this cost and therefore cannot provide assurance that this expenditure specifically related to CIL administration.

- We found that funding relating to CIL administration expenditure had been carried forward from 2016/17 but this was not in-line with the legislature.

Management accepted our findings and agreed appropriate actions to be implemented by 30 April 2018.

Transformation Benefits Realisation – Limited Assurance

October 2017

Number of findings by risk rating

Critical	-
High	3 (Findings 1-3)
Medium	-
Low	-
Advisory	-

Summary

'Benefits Realisation' is the process for the identification, definition, tracking, realisation and achievement of benefits resulting from a programme of change or an investment (for example a project). Effective benefits realisation planning enables organisations to justify the reasons for a change and/or investment and the measurement of achievement to ensure that planned benefits will be, and have been, delivered.

The Council has a Corporate Project Management Toolkit which includes guidance, tools and templates to utilise with the aim of ensuring that project benefits, both financial and non-financial, are clearly identified, monitored and managed during the project to ensure the planned benefits are realised. Whilst we did not identify issues with the underlying tools and templates in place to support effective management and governance of projects we did identify issues relating to the understanding and application of benefits management tools by those responsible for project and programme management, which is linked to a need for better training in benefits management for project managers at the Council and within the CSG Project Management Office (PMO). Issues were identified in relation to the management of the whole cycle of benefits identification, monitoring and realisation: it is not being delivered in line with this aspect of the toolkit and therefore does not support effective benefits realisation. There is a need to upskill project managers to enable them to embed the Council's benefits management tools effectively into business as usual project and programme management.

The Council delivers a portfolio of Transformation projects and programmes with the overall aim of achieving its corporate priorities and ensuring efficiency and cost savings targets are realised. To achieve the required benefits and ensure that the Council justifies its investment decisions and maximise outcomes from them the identification, monitoring and realisation of benefits must be carried out effectively. Failure to realise benefits as part of transformation projects and programmes could result in key organisational objectives not being met.

We identified the following areas for improvement as part of the audit:

- **Benefits identification and definition** – We found that planned benefits for the three projects reviewed had not been fully defined and we were therefore unable to determine how the Council would be able to fully articulate the planned benefits of projects and fully justify the investment decisions **(Finding one - high)**;

- **Benefits monitoring and measurement** – We found that sufficient controls were not in place for benefits to be effectively measured and monitored to ultimately demonstrate realisation. We were therefore unable to determine how the Council would be able to fully determine whether projects were on track to deliver the intended benefits and therefore whether the projects remained viable **(Finding two - high)**; and

- **Benefits Handover and realisation** – We found that benefits were not consistently handed over to the

service area in a structured way which led to the service area not regularly monitoring planned benefits to ensure that they have been fully realised **(Finding three - high)**.

Management accepted our findings and agreed appropriate actions to be implemented by 31st March 2018 for provision of training and review of key projects and 30th June 2018 for completion of reviews by project managers.

3.0 Management Reviews

Elections Management – Annual Canvass

Summary

The aim of this management review was to support the Council in ensuring that the quality assurance processes in place within Electoral Services optimise outputs from the Annual Canvass and accurately capture responses made by residents in time for the Electoral Register's publication on 1 December 2017.

We also reviewed the progress made by the Electoral Services Team against the recommendations from our April 2017 data analysis review and relevant recommendations arising from the Heath and Smith reviews.

This review identified 3 high and 2 medium risk findings.

We identified the following high risk issues as part of the review. All findings relating to the canvass data were rectified immediately by the service prior to the publication of the electoral register on 1st December.

Completeness of property lists sent to canvassers for a face-to-face visit – control operating effectiveness (finding one, high)

During our review we identified that a number of properties had not been added to canvassers' rounds. As a result of the audit testing it was identified that there was a software issue which led to 2,351 properties not having been included in the rounds; this represents 1.5% of residential properties within the Borough. The issue has since been resolved but the matter was not escalated in a timely manner by the team and there are weaknesses in the control environment that make it hard for the Electoral Services Team to easily identify where properties have not been included in canvassers rounds.

Processing of Household Enquiry Forms (HEF) - control design (finding two, high)

We selected 25 households for which the electoral register showed the resident had returned a HEF by post and asked for a change to be made to the register. We found that:

- For 1/25 (4%) HEFs a change request had not been processed.

We also selected 25 households for which the register showed a HEF had been received from the property but no changes had been made to the register as a result. We found that:

- For 1/25 (4%) HEFs a resident had requested changes, however the HEF had been processed as 'no change' and the register had not been updated in accordance with the resident's request; and
- For 1/25 (4%) HEFs the wrong side of the form had been scanned. This was found to be the case for all 29 forms which had been scanned in the same batch as this form. As the forms were subsequently destroyed, it was not possible to verify whether these forms had been correctly processed in line with residents' responses.
- As a result of further testing to ascertain whether other batches had been incorrectly scanned we found two further errors: one change request had been incorrectly processed as 'no change' and one blank form had been incorrectly processed as 'no change'.

We found that the design of the HEF had contributed to the wrong side of forms being scanned; this design should therefore be amended to remove the possibility of this issue recurring.

We found that quality assurance processes were not in place within the Electoral Services Team to verify whether forms had been processed accurately.

Documentation relating to the canvass process – control design (finding three, high)

We found a lack of policies and procedures in place relating to the administration of the canvass. There was no shared project plan to document key tasks, timetables or governance and escalation arrangements.

Management accepted our findings and agreed appropriate actions to be implemented. All findings relating to the canvass data were rectified immediately by the service prior to the publication of the electoral register on 1st December.

As this piece of work is considered 'consultancy' under the Public Sector Internal Audit Standards (PSIAs), it is required for us to state how any potential independence threats have been managed. The relevant paragraphs of the Internal Audit Charter are as follows:

Internal Audit Charter reference	How independence threat has been managed
4.3 Any reviews that need to be undertaken of the Assurance Group (for example, governance, elections or corporate anti-fraud) will, where appropriate, be undertaken through the internal audit provider, currently Price Waterhouse Coopers (PwC), to ensure independence and objectivity to the review.	The review was undertaken jointly between a PwC audit manager and an LBB audit executive. The reason for using the LBB audit executive was that in May 2017 he undertook a secondment into the Elections team to support them with the preparations for the snap general election. During this time he gained a strong understanding of the service and the systems in use which enabled a more effective and efficient management review to be undertaken. By having PwC review his work we ensured independence and objectivity. We have agreed for the same LBB audit executive to undertake a placement

		in February 2018 to support the service in implementing the recommendations. PwC will then verify whether the actions have been appropriately completed.
8.7 To maintain independence, any auditor involved in consulting activity will not have involvement in the audit of that area for at least 12 months before or after the consulting activity.		The LBB audit executive will not be involved in an audit of the Elections service for at least 12 months after the completion of the placement in February 2018.

4.0 Progress against plan

Stage	Name of review	Report classification	Total findings	Ratings				
				Critical	High	Medium	Low	Advisory
Quarter 3								
Complete	**Pensions Admin**	**Limited**	9	-	2	7	-	-
Complete	**S106 / CILs expenditure**	**Limited**	7	-	3	1	2	1
Complete	**Transformation - Benefits Realisation**	**Limited**	3	-	3	-	-	-
Complete	**Elections Management – Annual Canvass**	**Management letter issued – see section 3.0**	5	-	3	2	-	-
Complete	**Purchase Cards follow-up**	**Follow-up report issued – see section 5.3**	3	-	1	2	-	-
Complete	**Eligibility to Work - Pre-Employment Checks (Non-Schools) (Joint with CAFT)**	**Reasonable**	3	-	1	2	-	-

Status	Audit	Assurance						
Complete	Troubled Families – Payment By Results – December 2017 submission	Data integrity issues meant we were unable to successfully verify the claim; it was therefore not submitted	1	-	1	-	-	-
Complete	Special Project Initiation Requests (SPIRs)	**Reasonable**	4	-	-	2	1	1
Complete	St. James Catholic High School	**Reasonable**	8	-	-	4	4	-
Complete	Bell Lane School	**Reasonable**	8	-	-	3	5	-
Complete	Queenswell Junior School	**Reasonable**	6	-	-	4	2	-
Complete	Childs Hill School	**Reasonable**	6	-	-	1	5	-
Complete	Education, Health & Care Plans	Substantial	-	-	-	1	1	2
Complete	Capital Development Pipeline – Stag House	Substantial	4	-	-	-	3	1
Complete	Coppetts Wood School	Substantial	4	-	-	1	3	-
Complete	Performance Management Framework (Advisory)	Management letter issued on updated Performance Management Framework						
Complete	Eligibility to Work - Pre-Employment Checks (Schools) (Joint with CAFT)	Management letter issued to schools						
Complete	Troubled Families – Payment By Results – October 2017 submission	Claim verified						
Draft Report	Barnet Group Assurance Mapping	TBC	-	-	-	-	-	-
Draft Report	SWIFT to Mosaic Data Migration	TBC	-	-	-	-	-	-
Draft Report	Income Generation (Advisory)	TBC	-	-	-	-	-	-
Draft Report	Cambridge Education governance including contract management	TBC	-	-	-	-	-	-

Draft Report	Performance Reviews (operating effectiveness)	TBC	-	-	-	-	-	-
Draft Report	Accounts Payable	TBC	-	-	-	-	-	-
Draft Report	Accounts Receivable	TBC	-	-	-	-	-	-
Draft Report	Council Tax	TBC	-	-	-	-	-	-
Draft Report	NNDR	TBC	-	-	-	-	-	-
Draft Report	**Delayed Transfers of Care** **Note**: this management review was added to the plan at the request of Adults & Communities	TBC	-	-	-	-	-	-
Draft Report	Wessex Gardens School	TBC	-	-	-	-	-	-
Fieldwork	Commercial – Contract Management Toolkit (Advisory)	TBC	-	-	-	-	-	-
Fieldwork	Fixed Asset Register - Corporate Landlord – cross checks with Land Registry	TBC	-	-	-	-	-	-
Fieldwork	Transformation – The Way We Work	TBC	-	-	-	-	-	-
Fieldwork	Facilities Management	TBC	-	-	-	-	-	-
Planning	**Emergency Planning** **Note**: through discussions with management we have agreed to split this into two separate reviews, one of Emergency Planning and one of Business Continuity, both of which are now at the planning stage	TBC	-	-	-	-	-	-
Planning	Business Continuity	TBC	-	-	-	-	-	-
Planning	Better Care Fund - development of protocol for joint Internal Audits with the Clinical Commissioning Group	TBC	-	-	-	-	-	-
Planning	Public Health Delivery Model 2018 Onwards	TBC	-	-	-	-	-	-
Planning	Housing Benefit	TBC	-	-	-	-	-	-
Planning	Integra Issue Management	TBC	-	-	-	-	-	-

Planning	IT Governance - Strategic Decision Making	TBC	-	-	-	-	-	-
Planning	Commensura - Agency Staff **Note**: this was added to the plan through the scoping of the Pre-Employment Checks audit	TBC	-	-	-	-	-	-
Planning	Risk Management Framework	TBC	-	-	-	-	-	-
Planning	Deputyship – money management	TBC	-	-	-	-	-	-
Planning	Review of new Depot arrangements	TBC	-	-	-	-	-	-
Planning	Highways Programme	TBC	-	-	-	-	-	-
Planning	Onboarding process	TBC	-	-	-	-	-	-
Planning	CSG Estates – Rent Reviews	TBC	-	-	-	-	-	-
Planning	Health & Safety – Project Management	TBC	-	-	-	-	-	-
Planning	Contract Management - Sport & Physical Activity (SPA)	TBC	-	-	-	-	-	-
Planning	Troubled Families - Payment by Results - January submission	TBC	-	-	-	-	-	-
Planning	Transformation - Customer Transformation Programme	TBC	-	-	-	-	-	-
Planning	Prevent Follow-Up Phase 2	TBC	-	-	-	-	-	-
Planning	Equalities	TBC	-	-	-	-	-	-
Planning	Freedom Passes	TBC	-	-	-	-	-	-
Planning	General Ledger	TBC	-	-	-	-	-	-
Planning	Budget Monitoring	TBC	-	-	-	-	-	-
Planning	Treasury Management	TBC	-	-	-	-	-	-
Planning	Cash Management	TBC	-	-	-	-	-	-

Status	Title	Rating						
Planning	**Non-Schools Payroll (To include review of Holiday pay, Sick Pay, Overpayments)**	**TBC**	-	-	-	-	-	-
Planning	**Schools Payroll**	**TBC**	-	-	-	-	-	-
Planning	**Teachers Pensions**	**TBC**	-	-	-	-	-	-
Planning	**Elections follow-up - Advisory** **Note**: this was added to the plan off the back of the Elections Management – Annual Canvass review	**TBC**	-	-	-	-	-	-
Deferred to 2018/19	**Investing in IT – Lessons Learnt (Advisory)** Due to further delays with the full delivery of this project we have deferred this review	**TBC**	-	-	-	-	-	-
Deferred to 2018/19	**Highways DLO** This has been deferred to 2018/19 to enable allocation of more audit days to the Highways Programme review and to enable winter gritting to have been completed	**TBC**	-	-	-	-	-	-
Deferred to 2018/19	**CSG 3 Year review – KPI baselines** This has been deferred to 2018/19 to enable review of two quarters of data after new KPIs agreed	**TBC**	-	-	-	-	-	-

Quarter 2

| Status	Title	Rating						
Completed	**Regeneration – Benefits Realisation**	**Limited**	2	-	2	-	-	-
Completed	**Menorah High School for Girls**	**Limited**	10	-	1	8	1	-
Completed	**Friern Barnet School**	**Reasonable**	6	-	1	2	3	-
Completed	**Woodcroft School**	**Reasonable**	5	-	1	1	3	-
Completed	**Planning Applications and Enforcement (Joint with CAFT)**	**Reasonable**	8	-	-	5	1	2
Completed	**Cromer Road School**	**Reasonable**	6	-	-	2	4	-
Completed	**Core HR Upgrade**	**Substantial**	3	-	-	1	2	-

Completed	Prevent	Management letter issued and followed up – see section 3.3						
Completed	Prevent Follow-Up	Follow-up report issued – see exempt report appendix 2						
Completed	IT Change Management Follow-Up	Follow-up report issued – see section 4.2						
Completed	IT Risk Diagnostic	Management letter issued – see section 3.1						
Completed	GDPR Readiness Review	Management letter issued – see section 3.2						
Completed	Disabled Facilities Grant (DFG) 2016/17	Claim verified						
Completed	Disabled Facilities Grant (DFG) 2017/18	Claim verified						
Completed	Bus Subsidy Grant	Claim verified						
Completed	Troubled Families – Payments By Results	Claim verified						
Quarter 1								
Completed	Community Infrastructure Levy (CIL) and Section 106 (S106) – Phase I, Income	Limited	7	-	1	4	1	1
Completed	Nursery Places – Free Early Education Funding	Limited	7	-	1	4	1	1
Completed	Contract Register Maintenance	Reasonable	5	-	1	2	1	1
Completed	Non-Schools Payroll	Reasonable	5	-	-	5	-	-
Completed	Pensions Administration	Reasonable	4	-	-	3	1	-
Completed	Water Safety	Reasonable	3	-	-	3	-	-
Completed	Commercial Waste – achieving income target (Joint with CAFT)	Reasonable	5	-	-	5	-	-

Completed	Livingstone School	Reasonable	5	-	-	2	3	-
Completed	St. John's N11 School	Reasonable	7	-	-	2	5	-
Completed	Brunswick Park School	Reasonable	7	-	-	2	5	-
Completed	Hollickwood	Reasonable	5	-	-	3	2	-
Completed	Northway	Reasonable	4	-	-	3	1	-
Completed	Safeguarding – Family Services	Substantial	1	-	-	1	-	-
Completed	Beis Yaakov School	Substantial	3	-	-	1	2	-
Completed	Mapledown School	Substantial	3	-	-	1	2	-
Completed	Troubled Families - Payment by Results Q1	N/A	-	-	-	-	-	-
Completed	Estates / Health & Safety compliance & Subcontractor ordering follow-up	N/A	-	-	-	-	-	-

5.0 Follow Up

5.1 Summary

5.1.1 The wheel below demonstrates how many high priority actions due this period have been implemented, are in progress or are not implemented.

Recommendation Implementation Status

0

4

9

■ Not implemented ■ Implemented ■ In progress
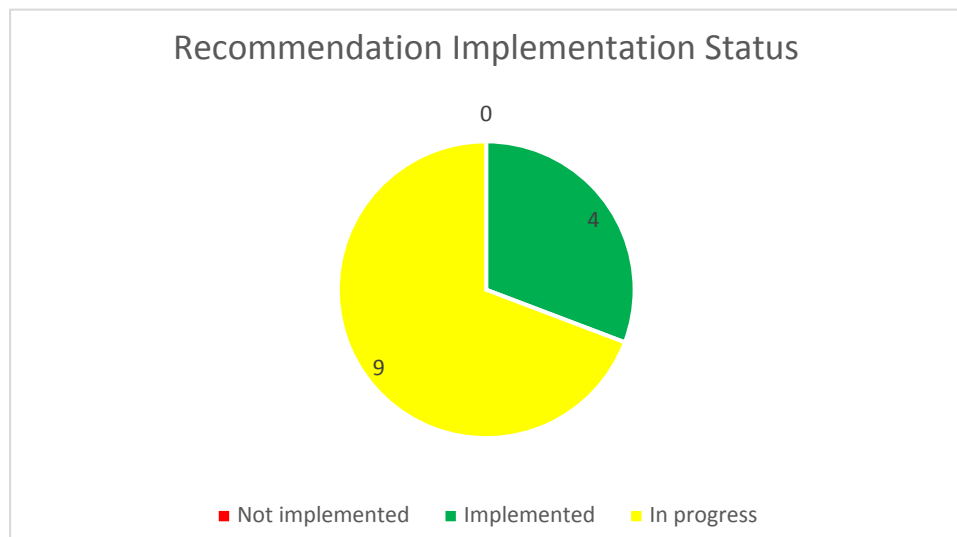
5.3 Outstanding actions

5.3.1 During this period we followed up 9 high priority actions which were found to be outstanding. These high priority actions are summarised below:

Name of report	Agreed Action	Status (Not Implemented / In Progress)	Owner	Due Date
1. **Re Operation Review - Phase 2: Operating Effectiveness of Controls** **(January 2017)**	**Highways: ad hoc inspections – Control Design** Re will establish prioritisation criteria to be applied by the Customer Hub team to systematically assess the severity of a reported defect and to enable enquiries to be prioritised accordingly. These criteria will be shared and agreed with the Council. The Council and Re will agree an	**In Progress** Draft prioritisation criteria were provided to audit prior to Audit Committee on 2nd November. For this action to move to Implemented we need to see **evidence that Re and the Council have agreed these and that they are now in operation**. For action 2 we need to see **evidence**	**Strategic Director - Environment** **Operations Director, Re**	**Original: 31 March 2017** **1st Revised date: 31 July 2017** **2nd Revised date: 30 November**

	ongoing assurance mechanism to enable the Council to monitor the performance of ad hoc inspections. This will consist of the Council reviewing a sample of enquiries to assess the reasonableness of the assessment applied and assess whether follow up action was appropriate and performed in a timely manner based on the severity of the issue.	**that the Council has been undertaking the planned review of a sample of enquiries to assess the reasonableness of the assessment applied / timeliness of resultant action.**		2017 **3rd Revised date:** **31st March 2018**
2.	**Highways Programme (March 2017)**	**Performance Management** The current suite of KPIs in place will be reviewed. As part of this exercise obsolete indicators will be removed and the KPIs set out in the framework agreement will be reviewed to determine what potential indicators would add value to the current performance management framework. These indicators will be added to those measured and reported by the contractor on a monthly basis as appropriate.	**In Progress** **Note:** The Council calls off The London Highways Alliance Contract (LoHAC) for highways services. In July 2017, TFL were undergoing a review of the Performance measures for the LoHAC contract. The final draft was expected to be concluded by October 2017. At that time, we were told that Re and the Council would apply those measures even if TFL and LoHAC had not fully finalised their review process. If that was the case, we were told that Re and the Council would then revisit if necessary once they had reached their final position. **January 2018 update:** The Interim Commercial Advisor in Commercial Services - responsible for managing the project investigating the performance measures in place regarding Highways Customer Services - provided the proposed suite of Highways performance measures for monitoring the Re/Council contract. The approach to the project - as set out in the Highways Customer Review document provided - confirmed a project output as " review current KPIs and PIs and whether future changes are required", with a focus on the customer, residents and Members. Our review of a category of the proposed	**Strategic Lead Commissioner - Transport and Highways, LBB** **Service Director – Highways, Re** **Contract Performance and Traffic Manager, Re**	**Original: 30 June 2017** **1st Revised date: 31 October 2017** **2nd Revised date: 31 March 2018**

		suite of Highways performance measures called outcome measures, for instance, confirmed new performance measures have such customer focus. The Highways Customer Review document stated that the target date for related draft recommendations was mid-Feb 2018 before being reviewed at the relevant Governance Boards, the Partnership Operations Board and the Strategic Partnership Joint Venture Board in March 2018.		
3. Highways Programme (March 2017)	**Performance Management** The Council and Re will discuss the alignment of performance targets between the LoHAC contract and those in place to monitor Re's performance where applicable. This will be considered as part of the contract KPI review highlighted in action (a) as well as the 4 year review of the overarching Re contract which will consider the suite of KPIs that are in place to assess Re's performance.	**In Progress** We reviewed the Deed of Variation between the Council and Conway Aecom, signed by the Strategic Director - Environment and Conway Aecom Director, relating to the operation of the call-off arrangement under the LoHAC framework contract. LoHAC has contracts and agreements with the four suppliers - in line with four London geographical areas - which will run until 2021. LoHAC has entered into an agreement for the provision of highways services in the North West of London with CONWAY AECOM (CA) who provide the Council's highways services. One of the terms varied related to the contractor undertaking category 1 and category 2 reactive defect repairs. The variation specified that related works would be measured against the relevant performance indicators in the LoHAC call-off contract. The proposed suite of performance measures for monitoring the Re / Council Joint Venture also included 10 (seven indicated as new) LoHAC performance measures confirming arrangements to align Re/Council and LoHAC Highways performance monitoring. The LoHAC target for category 1 and 2 repairs was stated as	**Interim Commercial Advisor, LBB** **Strategic Lead Commissioner - Transport and Highways, LBB** **Service Director – Highways, Re** **Contract Performance and Traffic Manager, Re**	**Original: 30 June 2017** **1st Revised date: 31 October 2017** **2nd Revised date: 31 March 2018**

		98% in the performance documentation provided to us by the project manager for review. The action is still considered in progress until the proposed suite of RE/Council performance indicators with LoHAC aligned targets, where applicable, has been approved at the Partnership Operations Board and the Strategic Partnership Joint Venture Board in March 2018.		
4. **Contract Register Maintenance** **(July 2017)**	**Roles & Responsibilities** Further operational guidance, setting out roles and responsibilities for respective parties involved in maintaining the contract register, will be produced. This will include a RACI matrix (Roles, Accountability, Consult, Inform) to map out respective responsibilities and will clarify that contract managers are responsible for communicating changes to contract details held within the Curtis Fitch system. This will be communicated to stakeholders through periodic training provided.	**In Progress** Procurement operational guidance provided to Internal Audit specified the RACI matrix across all parties. Specifically, within the RACI matrix, accountability for contract changes was indicated as the contract manager and the Service. The guidance also indicated that Contract Managers were responsible for communicating contract changes to Procurement Business Partners. The final appendix indicated that contract register training was planned for Q4 2017-18. The CSG Procurement Transformation Lead indicated that Contract Register training had already been provided and that further training was planned in quarter 4. Evidence was provided confirming that the relevant training had been cascaded to procurement officers in Home & Community Services, Adults and Communities and Fleet Management, Street Scene to ensure that they were aware of their roles and responsibilities. We'll regard the action as fully implemented once we see evidence that the guidance has been cascaded to all contract managers.	**Procurement Transformation Lead, CSG**	**Original: 31 August 2017** **1st Revised: 31 December 2017** **2nd Revised: 31 March 2018**

5. Contract Register Maintenance (July 2017)	Roles & Responsibilities A mechanism for communicating changes to the register will be developed. A pro-forma that captures the changes required in a standardised format will be developed and uploaded to the Council's intranet. A central mailbox will be created and completed change forms will be sent to this central mailbox that will be monitored by the procurement team for processing.	In Progress The procurement operational guidance clearly specified the contract manager and Delivery Unit accountability for communicating changes to the contract and the arrangements for communicating related changes to CSG Procurement or directly to the CSG Procurement Business Partners for updating the contracts register. Evidence was provided confirming that the relevant training had been cascaded to procurement officers in Home & Community Services, Adults and Communities and Fleet Management, Street Scene to ensure that they were aware of their responsibilities for communicating changes to the contracts register. We'll regard the action as fully implemented once we see evidence that the guidance has been cascaded to all contract managers.	Procurement Transformation Lead, CSG	Original: 31 August 2017 1st Revised: 31 December 2017 2nd Revised: 31 March 2018
6. Contract Register Maintenance (July 2017)	Roles & Responsibilities An annual exercise will be performed whereby contract register extracts from Curtis Fitch will be communicated to delivery units. Delivery units will be required to review the extract and confirm this is accurate and complete based on their knowledge of contracts in place.	In Progress The procurement operational guidance clearly specified the responsibilities and arrangements for ensuring the accuracy of the Central and local contract registers. Evidence was provided confirming that the relevant training had been cascaded to procurement officers in Home & Community Services, Adults and Communities and Fleet Management, Street Scene to ensure that they were aware of their responsibilities for confirming the accuracy of the contracts register as part of the annual procurement forward planning exercise.	Procurement Transformation Lead, CSG	Original: 31 August 2017 1st Revised: 31 December 2017 2nd Revised: 31 March 2018

		Management indicated that an initiative to cleanse and standardise data across Integra and Curtis Fitch had been undertaken however evidence of Delivery Unit engagement in this exercise has not yet been provided. We'll regard the action as fully implemented once we see evidence of the guidance being cascaded to all contract managers, exercises involving the cleansing of contract register data and evidence of Delivery Unit engagement in the process.		
7. **Purchase Cards follow-up** **(October 2017)**	**Allocation of expenditure (Control design)** System functionality issues will be resolved as soon as possible. The control issue and associated risks will be presented to the Integra working group in order to prioritise the resolution of this issue.	**In Progress** Treasury Management have undertaken significant monitoring of the level of P-Card transactions that had not been cleared or disbursed by P-Card holders. P-Card transactions need to be cleared before they can be approved by the relevant budget holder. This has resulted in a reduction in the level of un-cleared and therefore unapproved transactions from approximately £120k in October 2017 to £23k in January 2018. Reasons for not clearing P-Card expenses in a timely fashion vary, for example: • P-Card holder delays in clearing items • CST-Helpdesk delays in addressing related P-Card holder queries • Problems relating to the relevant account set-up in Integra Where P-Card holders have been unable to clear P-Card expenses owing to an Integra issue, they have been instructed	**Head of Treasury and Pensions, CSG**	**Original: 31 March 2017** **1st Revised date: 31 March 2018**

		by Treasury to escalate the issue to CST-Helpdesk, which supports Integra users, for resolution. We saw evidence that this was being done by P-Card holders. Management stated that the Integra issue, whereby users could not approve transactions, has now been resolved. However, there is also a backlog of outstanding transactions and management stated that a request has gone to the Integra service provider (CIBS) to set these transactions to the status 'entered' which means that they will then need to be approved by users. Once this has been actioned, the Integra user group will be alerted and asked to undertake approvals promptly. The Head of Treasury and Pensions indicated that a decision had been taken 4/1/2018 to introduce an additional control by suspending cards where expenditure was not being disbursed/processed. Although this would not address root causes of the issue it would prevent unallocated and unapproved expenditure on a particular card from growing. **Further action needed for Full Implementation:** • Treasury Management to document reasons for delays of more than two months in clearing P-Card expenses. This will enable them to chase those who are slow in clearing their items, whilst also providing a clear log of those cases to be escalated to the Integra working group for resolution. •		
8. **HR Eligibility to Work – Pre-employment checks (non-schools)**	**Disclosure and Barring Service (DBS) requirement and status monitoring – control operating effectiveness**	**In Progress** CSG HR have agreed the changes needed and have assigned the most	**HR Business Manager, CSG**	**Original: 1 December 2017**

(November 2017)	Arrangements to stream line and make the capturing and collation of DBS data more efficient will be implemented.	appropriate business analyst to develop these requirements. The new reporting framework is anticipated to be in place by mid-March.		**1st Revised date: 31 March 2018**
9. **Customer Support Group (CSG) – Invoicing and Monitoring Arrangements** **(April 2016)**	**Contract Monitoring – Assurance activities** a) Management should undertake an exercise to understand the key controls in place within each of CSG's core processes. This could be achieved through review of the appropriate policy and procedure documents. b) Management should assess and document whether the controls in place are sufficient to mitigate the Council's key operational risks. c) Any control gaps identified in the first line of defence should be raised with Capita and where appropriate processes should be amended accordingly. d) Management should review and update the assurance framework document to ensure inclusion of the identified first line of defence activities. All key Second and Third line activities should also be recorded, including detailing the officers with the core roles and responsibilities in relation to them. e) Management should review the activities on the assurance map to ensure there is sufficient flow of information between the first, second and third lines of defence to allow the Council to promptly identify issues with any of the key delivery risks. f) Management should then consider whether the information available through the three lines of defence is sufficient to provide senior management with assurance that the key strategic risks are	**In Progress** The Council undertook a Performance Governance Review, sponsored by the then Chief Operating Officer and led by the newly appointed Commercial Director, between April and October 2017. This review covered the following workstreams: • Roles & Responsibilities • Governance • Performance • Contract Management The outcome of the review was reported to SCB in November 2017 and it was agreed that the effectiveness of the resultant changes at the Council would be reviewed by SCB after six months of operation. As part of the changes, there are now monthly Contract Monitoring Meetings occurring for each of the nine CSG contract areas. Through these meetings the Council's client leads will request documentation of the key controls in place within each of CSG's core processes. These will be agreed / challenged where necessary. The Three Lines of Defence document will then be updated and agreed by senior management.	**Director of Commercial (LBB)** **Director of Resources (LBB)** **CSG client leads (LBB)**	**Original: Q2 2016/17** **1st Revised: 31 March 2017** **2nd Revised: 31 July 2017** **3rd Revised: 31 July 2018**

| | mitigated. | | |
| | g) Once reviewed, the three lines of defence map should be signed off by senior stakeholders including all SROs, the Director of Resources, the relevant Contract Managers, the Commercial Director and the Chief Operating Officer. | | |

5.4 Completed actions

5.4.1 During this period we followed up 4 high priority actions which are deemed to have been implemented. These are listed below:

Name of report	Agreed Action and Due Date
1. **Menorah High School** **(July 2017)** Purchasing	The school will ensure that a purchase order is raised for all relevant goods and services and this is approved by an authorised signatory. This expenditure should then be entered as a commitment to the accounting system, prior to the order being placed. The school will introduce a clear separation of duties to ensure that the same officer is not responsible for authorising the purchase order, invoice and bank payment for the same purchase. Delivery notes will be signed to evidence checking of goods received. These will be filed with purchase orders and invoices in a systematic manner. The School will review the credit card policy and use of the school credit cards to ensure that all purchases are reviewed and executed in accordance with requirements as approved within the School's Financial Management Policy and Procedures document, ensuring at all times that a separation of duties exists between purchase order request, purchase order approval and online payment by credit card, sufficient budget is available, a record is kept of delivery to the school and that approved purchase orders and credit card order authorisation forms are retained for each purchase for independent review and scrutiny where necessary. Due: Autumn 2017/18
2. **Nursery Places** **(July 2017)** Frequency of Early Years Team Audits	Management will commence a new rolling programme of Early Years' Team Audits on PVI providers, ensuring that each provider is subject to an unannounced Early Years' Team Audit at least every four years. Target date: Early Years Team Audits will be in place from Easter 2017. Revised: 31 December 2017
3. **HR Eligibility to Work – Pre-employment**	The most up to date schedule showing the DBS status level and position of all Council staff will be reviewed to ensure

checks (non-schools) **(November 2017)** Disclosure and Barring Service (DBS) requirement and status monitoring – control operating effectiveness	that all data anomalies are identified and explained. In particular: - The required DBS level (enhanced, standard or not applicable) recorded as "Not Known" in the CSG spreadsheet "Staff Requiring DBS" will be confirmed and recorded. - DBS disclosures described as "Not Present" will be resolved. Target date:1 December 2017
4. **HR Eligibility to Work – Pre-employment checks (non-schools)** **(November 2017)** Disclosure and Barring Service (DBS) requirement and status monitoring – control operating effectiveness	Changes in status to DBS requirements, where applicable, should be recorded. Target date:1 December 2017

5.5 Follow-up of Medium priority actions

This quarter, at the request of the Audit Committee, we have also undertaken follow-ups of the remaining Medium priority actions resulting from the two Limited Assurance reports from Q1:

- **Nursery Places – Free Early Education Funding (FEE)**
- **Community Infrastructure Levy (CIL) and Section 106 (S106) – Phase I, Income**

A summary of the outcome of these follow-ups is below.

Nursery Places – Free Early Education Funding (FEE)

Agreed Action(s)	Responsible Officers	Target Date	Audit Assessment January 2018
<u>**1. Eligibility for FEE2**</u> 1a) The Early Years Team will implement a system of	Early Years Standards &	30/09/2017	**Implemented**

verifying a sample of children awarded FEE2, Free Early Education Funding for 2 year olds, in each term they are eligible for the funding. The sample will be chosen using a risk based approach, informed by the error identified during the audit. These checks will occur on a regular basis and evidence will be kept on file to demonstrate that the checks have been completed in line with expectations.	Quality Lead		
2. Interim and Final Payments 2a) Management will review the appropriateness of awarding an 80% advance payment to providers in time for any changes to be made for April 2018 after consultation in 2017/18 regarding the 30 hour offer.	Head of Early Years - Early Intervention & Prevention	30/04/2018	N/A not yet due
3. Headcount Issues 3a) A rolling headcount will be introduced by Family Services to ensure that there is greater emphasis on providers to input the most up-to-date information before payments can be processed and made to providers. Providers should be reminded of their responsibility to update the portal.	Early Years Funding Officer - Commissioning & Business Improvement	31/07/2017	**Implemented**
4. Updating and communication of FEE guidance for providers 4a) The Council's guidance relating to FEE provision within the Borough will be updated	Early Years Registration Support Officer - Early Intervention & Prevention	30/09/2017	**Implemented**
4b) Once updated the revised Council guidance relating to FEE provision will be communicated to all providers at the planned workshops	Early Years Standards & Quality Lead Interim Data and Performance Manager	31/07/2017	**Implemented**
5. Single Point of Failure Management will review the tasks performed by key	Early Years Standards &	30/09/2017	**Implemented**

Officers to ensure that other officers performing key tasks to eliminate the risk of a single point of failure occurring in the FEE Process.	Quality Lead		
Management should review such arrangements to ensure that tasks occur in line with expectations.			

Community Infrastructure Levy (CIL) and Section 106 (S106) – Phase I, Income

Agreed Action(s)	Responsible Officers	Target Date	Audit Assessment January 2018
1. Internal Procedure Documents - Control design Internal procedure documents will be produced that set out the roles and responsibilities of all teams involved in the processing and collection of CIL and S106 liabilities. Once issued the procedure documents will be communicated to all relevant Officers involved in the processing of CIL and S106 liabilities.	Infrastructure Planning Team Manager, Re Planning Obligations Officer, Planning, Re	30/09/2017 Revised target date: 31 December 2017	**Implemented**
2. CIL and s106 schedules - Control design The procurement of the EXACOM system will be prioritised to replace the need for manual spreadsheets to coordinate the management of CIL/S106 charges.	Growth Manager, Re	30/09/2017 Revised target date: 31 December 2017	**Implemented**
4. Payments to Transport for London – Operating effectiveness The Council, CSG and Re will work together to ensure that payments to TfL in regard to Mayoral CIL are made on time.	Deputy Chief Executive Commissioning Director, Growth & Development Finance	31/07/2017 Revised target date: 31 October 2017	**Implemented**

	Manager, CSG Planning Obligations Officer, Planning, Re		

As part of our 2017/18 audit plan we allowed additional audit days to undertake a sample of follow-ups across Medium priority recommendations. This quarter we have followed up the remaining Medium priority actions raised under the Contract Register Maintenance audit. The results are below:
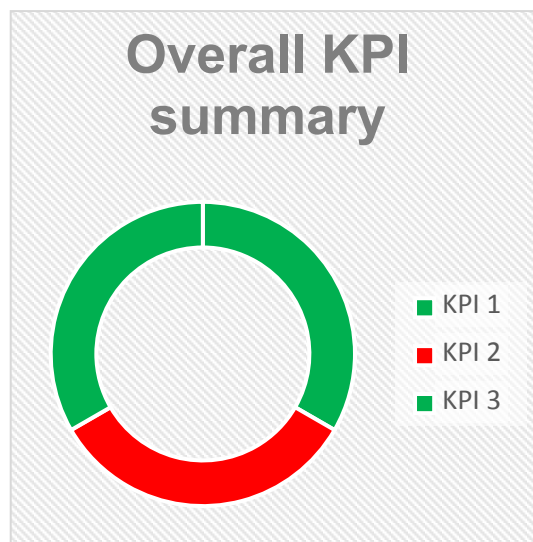
Contract Register Maintenance

Agreed Action(s)	Responsible Officers	Target Date	Audit Assessment November 2017
1b. Compliance analysis - Control design We will document the rationale for why some expenditure is considered potentially high risk, for example high monetary value or for a service provided to vulnerable adults or children.	**Procurement Transformation Lead, CSG**	**September Procurement board 2017**	**Partly Implemented** Evidence was provided showing how procurement expenditure raised in Integra was mapped to and risk rated in terms of the PESTLE criteria, so in line with its political, economic, social, technological, legal and environmental impact. **Evidence outstanding:** Obtain recent report to Procurement Board or other report to senior management demonstrating this. An Excel spreadsheet using the approach for spend analysis has been provided but evidence of formal reporting for scrutiny is required.

1c. Compliance analysis - Control design We will present a high level summary of the results of the compliance testing to senior management in the Commissioning and Commercial teams. This will include an analysis of non-compliant expenditure across delivery units as well as details of high value or high risk compliance issues identified. We will also include a summary of this exercise periodically as part of the Procurement Board agenda.	**Procurement Transformatio n Lead, CSG**	**September Procurement board 2017**	**Partly Implemented** Evidence of non-compliant activity and expenditure was reported to Senior Management in 2017-18 quarters 2 and 3. Management stated that Procurement Business Partners will continue to review compliance reports showing instances of procurement non-compliance and the accuracy of contract registers with Delivery Units on a quarterly basis**.** **Evidence outstanding:** Evidence of Delivery Unit resolution of the potential issues identified within the report to Senior Management.
2a. Contract register data capture - Control design and operating effectiveness We will investigate whether the automated controls in place are operational to ensure mandatory fields are completed consistently.	**Procurement Transformatio n Lead, CSG**	**July 2017**	**Partly Implemented** Management stated that the Curtis Fitch system which held the Council's procurement data automatically enforced completion of mandatory fields relevant to the contract register. We are yet to be provided with evidence to confirm this.
2b. Contract register data capture - Control design and operating effectiveness We will consider the current suite of compulsory fields and assess whether others, such as contract manager, should be included.	**Procurement Transformatio n Lead, CSG**	**July 2017**	**Implemented**
2c. Contract register data capture - Control design and operating effectiveness We will review the data fields currently captured. Discussions will be held between CSG Procurement, Commissioning and Commercial teams to assess what information would be useful to capture in the contract register to assist with commissioning activity. This will include considering whether the classification of contracts in line with the SCOT framework is captured in the register.	**Procurement Transformatio n Lead, CSG**	**July 2017**	**Implemented**

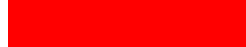# Appendices

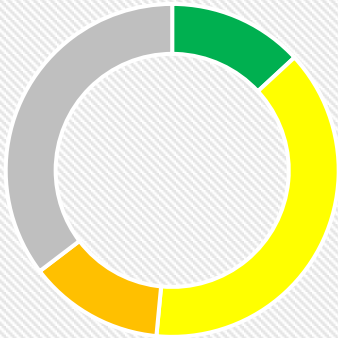# Appendix A: Key performance indicators (KPIs)

Overall KPI summary

- KPI 1
- KPI 2
- KPI 3

Fully Achieved

Partially Achieved

Not Achieved

KPI	Target	Results	Comment
1. % of Plan delivered	66% **Based on 95% complete of those due in quarter**	67%	In Q2 we proposed a change to how performance against this target is measured, in that now work in progress is incorporated as follows: **Not Started** — **0%** **Planning** — **20%** **Fieldwork** — **50%** **Draft Report** — **90%** **Complete** — **100%** Applying these %s to work in progress shows that we have delivered 67% of our plan. For comparison, under the previous method of measurement (completed reports / total planned audits) performance would have been stated as being at 46% against the 66% target. **0-24% = Not Achieved** **25-47% = Partially Achieved** **48% = Fully Achieved**
2. Verification that at least 90% of Critical and High Risks have been mitigated by management at the time of follow up	90%	33%	**0-49% = Not Achieved** **50-89% = Partially Achieved** **90% = Fully Achieved**
3. Average customer satisfaction score for year to meet or	85%	100%	**0-49% = Not Achieved** **50-84% = Partially Achieved**

Assurance Ratings

Legend:
- ■ Substantial
- ■ Reasonable
- ■ Limited
- ■ No
- ■ N/A

	exceed acceptable level for at least 85% of completed surveys			85% = Fully Achieved
4. % of reports year to date achieving: •Substantial •Reasonable •Limited •No Assurance •N/A	N/A		13% 38% 13% 0% 35%	