

MEETING

AUDIT COMMITTEE

DATE AND TIME

WEDNESDAY 2ND NOVEMBER, 2022

AT 7.00 PM

VENUE

HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BG

TO: MEMBERS OF AUDIT COMMITTEE (Quorum 3)

Chair: Councillor Arjun Mitra (Chair),
Vice Chair: Councillor Edith David (Vice-Chair)

Councillors:
Humayune Khalick Paul Lemon
Rohit Grover Alex Prager

Independent Members:
Geraldine Chadwick
Richard Harbord

Substitute Members:
Emma Whysall Anne Hutton Geof Cooke
Nick Mearing-Smith Lachhya Gurung

In line with the Constitution's Public Participation and Engagement Rules, requests to submit public questions or comments must be submitted by 28 October 2022 by 10AM. Requests must be submitted to Paul Frost 020 8359 2205 paul.frost@barnet.gov.uk

**You are requested to attend the above meeting for which an agenda is attached.
Andrew Charlwood – Head of Governance**

Governance Services contact: Paul Frost 020 8359 2205 paul.frost@barnet.gov.uk
Media Relations Contact: Tristan Garrick 020 8359 2454

ASSURANCE GROUP

ORDER OF BUSINESS

Item No	Title of Report	Pages
1.	Minutes of last meeting	5 - 10
2.	Absence of Members (If any)	
3.	Declaration of Members' Disclosable Pecuniary interests and Other interests (If any)	
4.	Report of the Monitoring Officer (If any)	
5.	Public Question and Comments (If any)	
6.	Members' Items (If any)	
7.	Update on the audit of the 2020.21 Statement of Accounts	11 - 16
8.	Internal Audit Exception Recommendations Report and Q2 Progress Report	17 - 54
9.	Grants Certification Work Report 2020.21	55 - 58
10.	Corporate Anti-Fraud Team (CAFT)	59 - 74
11.	Work Programme 2022-23	75 - 78
12.	Any item(s) the Chairman decides are urgent	

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Decisions of the Audit Committee

15 September 2022

Councillor Arjun Mittra (Chair)
Councillor Edith David (Vice-Chair)

AGENDA ITEM 1

Councillor Humayune Khalick Councillor Alex Prager Independent Member Geraldine Chadwick
Councillor Rohit Grover Councillor Paul Lemon Independent Member Richard Harbord

1. **MINUTES OF LAST MEETING (Agenda Item 1):**

Prior to the consideration of the minutes the Chair welcomed everyone in attendance to the meeting. He noted the sad passing of the Queen and invited Members to stand for a minutes silence.

RESOLVED that the minutes of the meeting held on 16 June 2022 be agreed as a correct record.

2. **ABSENCE OF MEMBERS (IF ANY) (Agenda Item 2):**

None.

3. **DECLARATION OF MEMBERS' DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS (IF ANY) (Agenda Item 3):**

The Chair noted a Pecuniary interest in relation to item 11. He noted that he was a School Governor at Coppetts Wood School. The Chair withdrew from the meeting for the item and took no part in the consideration or voting process on the item. As a result of this the Vice-Chair, Councillor Edith David chaired the meeting for that item only.

4. **REPORT OF THE MONITORING OFFICER (IF ANY) (Agenda Item 4):**

None.

5. **PUBLIC QUESTION AND COMMENTS (IF ANY) (Agenda Item 5):**

None.

6. **MEMBERS' ITEMS (IF ANY) (Agenda Item 6):**

None.

7. **INTERNAL AUDIT EXCEPTION RECOMMENDATIONS REPORT AND Q1 (Agenda Item 11):**

At the start of the item the Chair reminded the Committee that he had made a declaration. He therefore left the meeting and took no part in the consideration of the item. For the duration of the item only, Councillor David took the Chair.

The Head of Internal Audit introduced the report. She provided a full outline of the report including appendix A.

Members had the opportunity to consider each section of appendix A. During the considering of the item the Committee requested that service representatives are in attendance to answer questions from the Committee when there is Limited Assurance provided.

Premises, Licensing and Gambling

The Head of Internal Audit gave an overview of the premises, licensing and gambling section of the report. In doing so she outlined the reasons why limited assurance had been determined. Members noted the summary of the findings as contained in the report. The Committee Members had the opportunity to provide comments and ask questions. The Executive Assurance Director responded to questions and noted that work was to be undertaken including contract monitoring.

Private Residential Blocks – Fire Safety

The Head of Housing and Regeneration was in attendance in order to answer questions, which she duly did. Members sought clarification on the process for tracking measures for blocks of flats. Members noted that there was an improvement plan that highlighted all works that were in process.

Independent Member Geraldine Chadwick requested to know if Officers were happy with the progress with the actions. It was noted that progress had been slow and actions had not been progressed as expected.

The Vice - Chair thanked the Head of Housing and Regeneration for her attendance.

Commercial Rents and Lease Renewals

The Head of Property and Portfolio Management was in attendance to answer questions. Councillor Grover requested to note the legal status of occupancy for the tenants covered by the Commercial Rents and Lease Renewals findings. He also requested to know what rent reviews were in place to maximise the Council's position. Councillor Lemon also sought clarification on this point and furthermore in regard to performance reviews. The Head of Property and Portfolio Management gave a verbal response to these points.

The Vice - Chair thanked the Head of Property and Portfolio Management for her attendance.

Coppetts Wood School

Members had the opportunity to make comment and ask questions. Independent Member Geraldine Chadwick noted that this was a poor report and the Schools Financial Value Standard (SFVS) self-assessment was not accurate and represented a conflicted perspective. She urged that the school take immediate actions to rectify the points in the report while adding that this could be achieved without being overbearing to the school's resources.

The Committee had the opportunity to consider the report in detail.

Resolved:

That the Audit Committee noted the work completed to date on the internal audit Q1 report – 1st April to 30th June 2022.

8. UPDATE ON THE AUDIT OF THE 2020.21 STATEMENT OF ACCOUNTS (Agenda Item 7):

A BDO representative, Mr Michael Asare Bediako, was in attendance to update the Committee on the progress of the audit statement which he duly did.

The Chair noted that appendix A was marked to follow when the agenda had been published. It was noted that appendix A had been received, published and circulated to Members.

Independent Member, Richard Harbord noted that all authorities were faced with Audit problems. He added that the position would only get worse, he said that the report contained a number of key issues which need to be addressed.

Councillor Grover made a statement that highlighted the timelines that outlined how late reporting was, he said he had concerns in regards to the level of risk that the council was exposed to.

The S151 Officer gave a verbal response that underpinned the Council's risk in the event that the accounts is not reported within the municipal year. Councillor Grover said that essentially there is no external audit plan which puts the council at risk. Mr Bediako said that he had no choice but to uphold the audit regulations and he added that this meant he was governed by legislation and required to complete work in order to be confident on their audit opinion and recommendations.

The Committee noted the position and request that their concerns be noted in respect to the factors that are delaying the sign off for the Council's 2020/21 statement of accounts.

The Chair gave thanks to the Council's closing team for their efforts in producing and publishing the draft accounts within the statutory deadline.

Having considered the report the Audit Committee:

Resolved:

That the Audit Committee noted the factors that are delaying the sign off of the council's 2020/21 Statement of Accounts.

9. EXTERNAL AUDIT PLAN 2021-22 (Agenda Item 8):

The Chair noted that the BDO representatives, Mr Michael Asare Bediako and Ms Lisa Blake, were in attendance to update the Committee on the progress of the audit which he duly did. They provided comments in regard to why delays had occurred

The Chair noted that the Committee had called this meeting in order for the Council to make progress on this item. He said on behalf of the committee they were not happy that a report was not available, he requested that concerns be considered by BDO.

Having considered the report the Audit Committee:

Resolved:

The Audit Committee noted the delay to the production of BDO's audit plan for 2021/22.

10. GRANTS CERTIFICATION WORK REPORT 2020.21 (Agenda Item 9):

The Audit Committee received the report and noted the progress of the external auditors work in respect of the certification of grants for 2020/21.

Having considered the report the Audit Committee:

Resolved:

1. That the progress on the Teachers' Pensions Audit are noted by the Committee
2. That the Committee noted the report and requested that Councillor Mitra in his capacity as Chair write on behalf of the committee to capita regarding outstanding queries relating to the Teacher's Pension Audit for 2020/21

11. ANNUAL REPORT OF THE AUDIT COMMITTEE 2021-22 (Agenda Item 10):

The Executive Director of Assurance introduced the report and gave an overview of appendix A.

The Committee had the opportunity to consider the report.

Resolved:

1. That the Audit Committee approved the Annual report for 2021-22.
2. That the Audit Committee noted that the Annual Audit report for 2021-22 be reported to Full Council.

12. AUDIT COMMITTEE COVER REPORT CAFT Q1 2022-2023 (Agenda Item 12):

The report was introduced by the Executive Director for Assurance. Members noted that the report covered the period 1st April 2022 to 30th June 2022 and represented an up-to-date picture of the work undertaken by Corporate Anti-Fraud Team (CAFT) during that time.

The Chair gave thanks to Officers for all the hard work especially for work that has been conducted with other Boroughs.

The Committee had the opportunity to consider the report.

Resolved:

That the work of the Corporate Anti-Fraud Team referred to in appendix 1 be acknowledged

13. WORK PROGRAMME 2022-23 (Agenda Item 13):

Resolved:

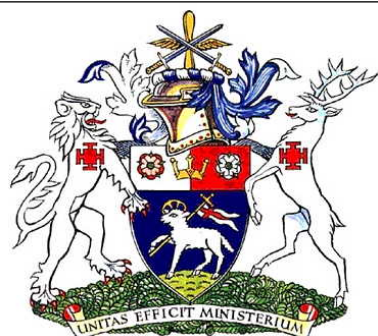
That the Work Programme be noted

14. ANY ITEM(S) THE CHAIRMAN DECIDES ARE URGENT (Agenda Item 14):

None.

The meeting finished at 20:58

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Audit Committee

2nd November 2022

Title	Update on the audit of the 2020/21 Statement of Accounts
Report of	Executive Director of Strategy and Resources
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A – update from BDO (to follow)
Officer Contact Details	Anisa Darr – Executive Director of Strategy and Resources Anisa.Darr@Barnet.gov.uk 020 8359 7634

Summary

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

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

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

BDO advised Audit Committee in July 2021 that they were not able to commence the audit until September, it was therefore not possible for them to conclude their audit in line with the statutory deadline.

BDO presented a draft completion report to Committee in December 2021 and again in February 2022.

Audit Committee in February 2022:

- approved, subject to there being no material amendments, the Statement of Accounts for 2020/21 and recommended that they be signed by the Chairman and the Executive Director of Resources (Statutory 151 Officer) on behalf of the Council.
- delegated to the Executive Director of Resources (Statutory 151 officer) the ability to make necessary amendments to the statement of accounts, in so far as there is no material impact on the General Fund, based on any subsequent findings of the External Auditor.

No material impacts have been found since the last update provided to Committee and this report provides an update on the factors that are delaying the sign off of the council's 2020/21 Accounts.

The final Statement of Accounts, including the Pension Fund accounts, will be published on the council's website once BDO have provided their Audit Opinion for inclusion in the Statement of Accounts.

Officers Recommendations

- 1. That the committee notes the factors that are delaying the sign off of the council's 2020/21 Statement of Accounts.**

1. WHY THIS REPORT IS NEEDED

- 1.1 Under Section 151 of the Local Government Act 1972- "...every local authority shall make arrangements for the proper administration of their financial affairs". Additionally, in accordance with International Standard on Auditing (ISA) 260, the external auditor is required to issue detailed reports on matters arising from the audit of the council's accounts and pension fund accounts.
- 1.2 There are three outstanding audit queries relating to Property, Plant and Equipment which officers are aiming to get resolved by the end of September. There is also an on-going issue relating to the reporting of infrastructure assets which has led to delays in local authority audits, principally for highways authorities. Further details and a description of the issue can be found in the background papers to this report.
- 1.3 CIPFA LASAAC (Local Authority (Scotland) Accounts Advisory Committee) and CIPFA's Accounting and Financial Reporting Forum established a Task and Finish Group to assist with the resolution of this issue and, following the advice of the Task and Finish Group, CIPFA LASAAC proposed a temporary solution, including proposals to:
 - confirm the accounting consequences of derecognition, i.e. that the effect on the carrying amount is nil (on the presumption that replaced parts are fully depreciated)
 - temporarily adapt the code to remove the reporting requirements for gross historical cost and accumulated depreciation
 - provide extra guidance on how depreciation may be applied for infrastructure assets

- 1.4 The CIPFA LASAAC Local Authority Code Board announced an urgent consultation on temporary proposals to update the Code of Practice on Local Authority Accounting in the United Kingdom to address the issue. The consultation ended on 14th June 2022 however it was not able to agree an approach that addressed the concerns of all stakeholders while also supporting high quality financial reporting.
- 1.5 CIPFA and CIPFA LASAAC considered that a sector wide approach to resolution of the reporting of highways infrastructure assets should be sought and further consultation with key stakeholder groups will take place.
- 1.6 They have advised that they will aim to consult in the Summer of 2022 with resolution by Autumn 2022 and we are still awaiting the outcome of this decision.
- 1.7 The three outstanding audit queries that are with officers are currently being addressed and once these and the sector wide issue have been resolved, BDO will be in a position to complete the audit of the 2020/21 accounts.

2. REASONS FOR RECOMMENDATIONS

- 2.1 In order that the Council can meet its legal obligation to produce audited financial statements.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not applicable

4. POST DECISION IMPLEMENTATION

- 4.1 Not applicable

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The current corporate plan (Barnet Plan 2021-2025) was adopted in March 2021. Following the May 2022 elections, the council now has a new administration and a new corporate plan, consistent with the new administration's priorities will be brought forward shortly.

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

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

- 5.2.1 The Statement of Accounts shows the financial position of the council as at 31 March 2021.

5.3 Social Value

5.3.1 None in the context of this decision

5.4 **Legal and Constitutional References**

5.4.1 Section 151 of the Local Government Act 1972 requires that “...every local authority shall make arrangements for the proper administration of their financial affairs”.

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

5.4.3 Part 3, regulation 9 of the Accounts and Audit Regulations 2015 requires that the statement of accounts must be considered by a committee or full council and approved by a resolution of that body. The accounts must then be signed by the person presiding at the meeting. The Section 151 officer must then reconfirm on behalf of the authority that they are satisfied that the statement of accounts presents a true and fair view of the financial position of the authority and its income and expenditure for that year.

5.4.4 The 2015 Regulations require that the final approved accounts are published not later than 30th September of the financial year immediately following the end of the financial year to which the statement relates. The audit did not commence until September 2021 and it was therefore not possible for it to be concluded in line with the statutory deadline.

5.4.5 International Standard on Auditing (UK and Ireland) 260 deals with the auditor’s responsibility to communicate with those charged with governance in an audit of financial statements. A link to the website containing ISA 260 can be found in the background papers to this report.

5.4.6 Article 7 of the Council’s Constitution details the functions of the Audit Committee and include “*To review and approve the annual statement of accounts and consider the external auditor’s report to those charged with governance on issues arising from the audit of the accounts*”.

5.5 **Risk Management**

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

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

5.6 **Equalities and Diversity**

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

5.7 Corporate Parenting

5.7.1 None in the context of this decision

5.8 Consultation and Engagement

5.8.1 None in the context of this decision

5.9 Insight

5.9.1 None in the context of this decision

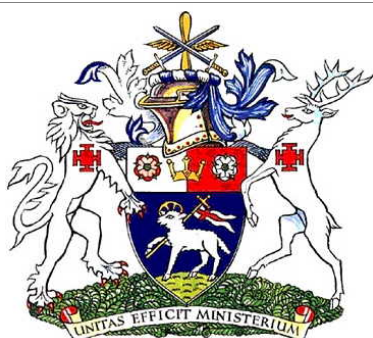
6. ENVIRONMENTAL IMPACT

6.1 None in the context of this report.

7. BACKGROUND PAPERS

Committee	Item & Agenda	Link
Audit Committee 15 September 2022	Item 8: Update on the closure of the 2020/21 Statement of Accounts	Agenda for Audit Committee on Thursday 15th September, 2022, 7.00 pm (moderngov.co.uk)
Audit Committee 16 June 2022	Item 9: Update on the closure of the 2020/21 Statement of Accounts	Agenda for Audit Committee on Thursday 16th June, 2022, 7.00 pm Barnet Council (moderngov.co.uk)
n/a	CIPFA description on the infrastructure assets issue for local authority stakeholders.	Urgent Infrastructure Assets Task and Finish Group CIPFA
Audit Committee 14 February 2022	Item 7: External Auditor's report 2020-21	Agenda for Audit Committee on Monday 14th February, 2022, 7.00 pm Barnet Council (moderngov.co.uk)
n/a	Measures to improve local audit delays	Measures to improve local audit delays - GOV.UK (www.gov.uk)
n/a	MRP Guidance issued by government	Statutory guidance on minimum revenue provision.pdf (publishing.service.gov.uk)
n/a	International Standard on Auditing (UK) 260 (Revised June 2016)	Microsoft Word - ISA (UK) 260 Revised June 2016 final (frc.org.uk)
Audit Committee 15 December 2021	Item 7: External Auditor's report on progress of the audit of the council's 2020/21 accounts	Agenda for Audit Committee on Wednesday 15th December, 2021, 7.00 pm (moderngov.co.uk)

Audit Committee 14 July 2021	Item 13: Committee Forward Work Programme.	Agenda for Audit Committee on Wednesday 14th July, 2021, 7.00 pm (modern.gov.co.uk)
Audit Committee 28 April 2021	Item 11: External Audit Plan 2020/21	https://barnet.modern.gov.co.uk/document s/s64729/External Audit Plan 202021.pdf



Audit Committee

2nd November 2022

Title	Internal Audit Exception Recommendations Report and Q2 Progress Report 1st July to 30th September 2022
Report of	Executive Director of Assurance Head of Internal Audit
Wards	N/A
Status	Public
Urgent	No
Key	No
Enclosures	Appendix 1 - Internal Audit Q2 progress report (1st July to 30 th September 2022) Appendix 2 - Review of CAFT Fighting Fraud & Corruption Locally (FFCL) self-assessment
Officer Contact Details	Caroline Glitre, Head of Internal Audit caroline.glitre@barnet.gov.uk 020 8359 3721

Summary

The Audit Committee are requested to note the progress against internal audit recommendations and work completed to date on the Internal Audit Plan 2022-23 and high and medium priority internal audit recommendations.

The Audit Committee approved the Internal Audit Plan for 2022-23 on 16th June 2022.

During Q2, the service completed 8 reviews and at that time had delivered 53% of our annual internal audit programme for 2022/23. This is above the target for Q2 of 49%.

There were no 'Limited' or lower assurance reports issued in this period.

Q2 Follow-Ups

During Q2, the Internal Audit service followed up on high and a sample of medium priority actions with an implementation date of 30th September 2022 or sooner.

A total of 15 high priority and 21 medium priority actions were followed up in this period.

In Q2 the Internal Audit service confirmed the following:

High priority actions: Follow-up Summary	Total	Implemented	In progress	Not Implemented
Total Number of Actions Tested	15	3	9	3
Medium priority actions: Follow-up Summary	Total	Implemented	In progress	Not Implemented
Total Number of Actions Tested	21	8	10	3
Total actions followed up in Q2	36	11	19	6
%	100%	31%	52%	17%

At the end of Q2 the Internal Audit service had confirmed 31% actions as implemented or superseded at follow-up. The total was therefore below the target of 90%. A verbal update on any further progress will be given at Audit Committee.

Review of CAFT self-assessment

This review was undertaken as part of the 2022-23 Internal Audit and Anti-Fraud Strategy and annual plan and is included as Appendix 2 to this report.

In line with the requirements of the Public Sector Internal Audit Standards (PSIAS), the Council's Internal Audit service underwent an External Quality Assessment (EQA) in February 2022. The resultant report stated that whilst not a requirement of the PSIAS, the Head of Internal Audit may also wish to consider auditing the Council's approach to fraud prevention, detection, and investigation.

Due to the close working relationship of the Council's Head of Internal Audit with the Corporate Anti-Fraud Team (CAFT), it was agreed that the audit would be undertaken by a third party to ensure appropriate independence.

Taking a similar approach to the EQA of Internal Audit, the CAFT team self-assessed against the Fighting Fraud & Corruption Locally Strategy checklist and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Managing the Risk of Fraud and Corruption. The self-assessment has then been independently reviewed

and validated Paul Rock, Assistant Director Internal Audit and Counter Fraud Services at the London Borough of Lambeth.

The assessment has concluded that CAFT **Generally Conforms** with the Fighting Fraud & Corruption Locally Strategy checklist and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Managing the Risk of Fraud. 'Generally Conforms' is the highest available rating.

Recommendations

- 1. That the Audit Committee note the general work completed to date on the internal audit Q2 report – 1st July to 30th September 2022.**
- 2. That the Audit Committee note the work completed to date on Schools within the internal audit Q2 report – 1st July to 30th September 2022.**

1. WHY THIS REPORT IS NEEDED

- 1.1 The Audit Committee's role in receiving this report is to note the overall progress made against the 2022-23 Internal Audit Plan and the high and medium priority recommendations made. In addition, the Audit Committee can inquire of Directors and Assistants Directors as to their progress against recommendations.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Audit Committee approved the Internal Audit Plan 2022-23 in June 2022 and this report notes the progress against that plan and progress against high and medium priority recommendations.
- 2.2 Compliance with the Public Sector Internal Audit Standards.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not relevant.

4. POST DECISION IMPLEMENTATION

- 4.1 The remaining work on the Internal Audit 2022-23 Plan will be delivered and progress against the plan reported to the Audit Committee at future meetings throughout the year.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The current corporate plan (Barnet Plan 2021-2025) was adopted in March

2021. Following the May 2022 elections, the council now has a new administration and a new corporate plan, consistent with the new administration's priorities will be brought forward shortly

- 5.1.2 All internal audit planned activity in 2022-23 was aligned with the Council's objectives set out in the Corporate Plan 2021-25, and thus supported the delivery of those objectives by giving an auditor judgement on the effectiveness of the management of the risks associated with delivery of the service.
- 5.1.3 A comprehensive Internal Audit Plan is essential to giving an annual Internal Audit Opinion on the internal control environment (ICE) which is fundamental for the achievement of all of the Council's objectives. This opinion forms an integral element of the Annual Governance Statement.
- 5.1.4 The Council has a responsibility to protect the public purse through proper administration and control of the public funds and assets to which it has been entrusted.
- 5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**
 - 5.2.1 When internal audit findings are analysed alongside finance and performance information it can provide management with the ability to assess value for money.
 - 5.2.2 In addition, the follow-up of audit recommendations will ensure that a positive culture of internal control is achieved.
 - 5.2.3 The proposed plan is being achieved from Internal Audit's current budget.
- 5.3 **Social Value**
 - 5.3.1 None in the context of this decision
- 5.4 **Legal and Constitutional References**
 - 5.4.1 The Council's Constitution (Article 7) sets out the terms of reference for Committees. The responsibilities for the Audit Committee include providing "independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment and to oversee the financial reporting process.
 - 5.4.2 The Council also has a duty under section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Regulation 3 of the Accounts and Audit Regulations 2015 requires the Council to ensure that it has a sound system of internal control which:

- 5.4.2.1 Facilitates the effective exercise of its function and the achievement of its aims and objectives;
- 5.4.2.2 ensures that the financial and operational management of the authority is effective; and
- 5.4.2.3 includes effective arrangements for the management of risk.
- 5.4.2.4 Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 requires 'an authority to conduct a review at least once in a year of the effectiveness of its system of internal control.'

5.5 Risk Management

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

5.6 Equalities and Diversity

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

5.7 Corporate Parenting

- 5.7.1 None in the context of this decision

5.8 Consultation and Engagement

- 5.8.1 N/A

5.9 Insight

- 5.9.1 None in the context of this decision

6. ENVIRONMENTAL IMPACT

- 6.1 Not relevant to this report.

7. BACKGROUND PAPERS

7.1 Audit Committee 11 March 2010 (Decision Item 11) - the Committee accepted that there would be progress reports to all future meetings of the Committee and, that for all “limited” or “no assurance” audits, there should be a brief explanation of the issues identified.

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

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

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

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

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

6.5 Audit Committee 16 June 2022 (Decision Item 13) – the Audit committee approved the Internal Audit and Anti-Fraud Strategy and Annual Plan 2022-23.

<https://barnet.moderngov.co.uk/documents/s72956/Appendix%20A%20-%20Internal%20Audit%20CAFT%20Plan%202022-23.pdf>

Internal Audit – London Borough of Barnet

Appendix 1



Internal Audit Q2 Progress Report 1 July – 30 September 2022



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 2022/23 internal audit plan

1.2.1 We have completed 8 reviews in this current period and to date have delivered 53% of our combined 2022/23 annual internal audit programme. This is above the target of 49%.

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

1.2.2 There were no 'limited' or below assurance reports issued in this period.

1.3 Findings of our Follow Up Work

1.3.1 We have commenced follow up work on all **high priority actions** with an implementation date of 30 September 2022 or sooner. We have had discussions with management on the progress made in implementing actions falling due in this period and have sought evidence to support their response.

A total of 15 high priority actions have been followed up in Q2:

- 3 actions have been confirmed as implemented (20%);
- 9 have been partially implemented (in Progress) (60%);
- 3 have not been implemented (20%)

Critical and High priority actions: Follow-up Summary	Total	Implemented	In progress	Not Implemented
Total Number of Actions Tested	15	3	9	3

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

A total of 21 medium priority actions have been followed up in Q2:

- 8 actions have been confirmed as implemented (39%);
- 10 have been partially implemented (47%); and
- 3 actions have not been implemented (14%)

Medium priority actions: Follow-up Summary	Total	Implemented	In progress	Not Implemented
Total Number of Actions Tested	21	8	10	3
Total actions followed up in Q2	36	11	19	6
%	100%	31%	52%	17%

In total, only 31% of actions followed up in Q2 have been confirmed as implemented at this time, which is well below the target of 90%. A verbal update will be given to Audit Committee if any evidence of further progress is provided.

Progress against audit actions is summarised in more detail in Section 4.

1.4 Recommendations

- That the Audit Committee notes the progress made against our 2022/23 Internal Audit Programme.

2.0 Progress against plan

The table below represents a summary of the work that we have completed during the period 1st July 2021 to 30th September 2022 or that is currently underway.

Stage	Name of review	Report classification	Total findings	Ratings				
				Critical	High	Medium	Low	Advisory
Q2 – 1 July – 30 September 2022								
Complete	Finance Global Design Principles – Investment Appraisal	Reasonable	7	-	-	3	4	-
Complete	Expenses	Reasonable	4	-	-	2	-	2
Complete	Green Waste	Reasonable	2	-	-	2	-	-
Complete	Whitings Hill School	Reasonable	9	-	-	5	4	-
Complete	Follow-up - Private Residential Blocks - Fire Safety	Partially Implemented	-	-	-	-	-	-
Complete	BEIS COVID grants post-payment assurance - Additional Restrictions Support Grant	Substantial	-	-	-	-	-	-
Complete	Supporting Families Programme – Payment by Results Q2	N/A						
Complete	BSOG Devolved LTA funding 2021/22 - Due 30 September	N/A						

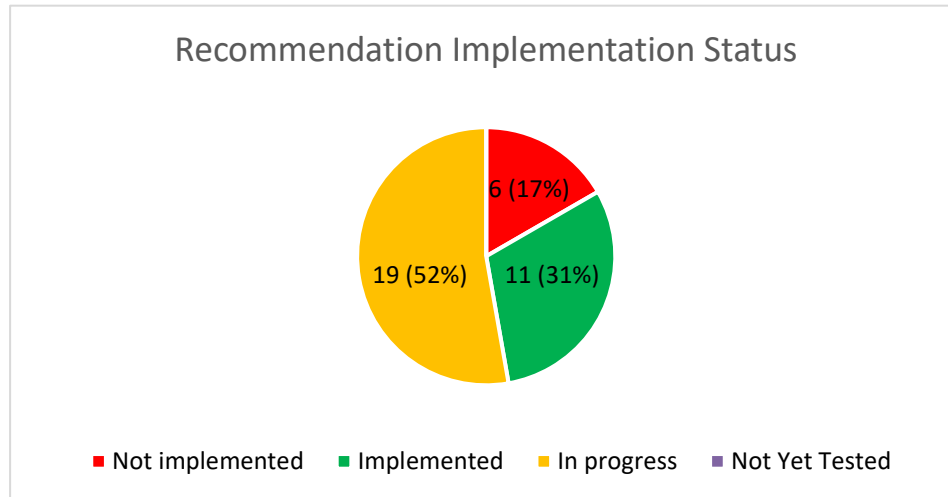
Total findings in Q2			22	-	-	12	8	2
Draft Report	Risk Management	TBC						
Draft Report	Homes for Ukraine	TBC						
Draft Report	CAFT - Review of Fighting Fraud & Corruption Locally (FFCL) self-assessment	TBC						
Fieldwork	Staff Conduct Standards Compliance	TBC						
Fieldwork	Parking – PCN Debt Recovery & Write offs	TBC						
Fieldwork	Kickstart Programme	TBC						
Fieldwork	Disabled Facilities Grant – Risk Based Audit of Processes	TBC						
Fieldwork	Compulsory Purchase Orders and Emergency CHAPS Payments	TBC						
Fieldwork	Integra & HR Core Replacements - Advisory	TBC						
Fieldwork	Contract Management Toolkit compliance	TBC						
Fieldwork	Friern Barnet School	TBC						
Planning	Registrars	TBC						
Planning	Planning Service	TBC						

Planning	Building Control	TBC						
Planning	Starters-Leavers-Movers (SLaM) follow-up	TBC						
Planning	National Non-Domestic Rates (NNDR)	TBC						
Planning	Project Management Toolkit compliance	TBC						
Planning	Pension Contributions	TBC						
Planning	Recruitment - Pre-employment checks inc. Right To Work	TBC						
Planning	Goldbeaters School	TBC						
Planning	St James' Catholic High School	TBC						
Planning	Sacred Heart School	TBC						

3.0 Follow Up

3.1 Summary

3.1.1 The wheel below demonstrates how many critical, high and medium priority actions due this period have been confirmed as being implemented, in progress, not implemented or have not yet been tested.



3.2 Outstanding actions

3.2.1 During this period we followed up 15 high priority and 21 medium priority actions due by 30 September 2022. 11 actions are confirmed as implemented, whilst a further 19 are in progress. 6 actions have not been implemented.

* At the request of the Audit Committee a column has been added to show how many times the action has slipped i.e. not been implemented within the agreed timeframe. The colour key is as follows:

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

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

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

3.2.2 Outstanding High priority actions

	Name of report	Agreed Action	Status (Not Implemented / In Progress / Due but not yet tested)	Owner	Due Date	Slippage*
Strategic Director: Deputy Chief Executive						
1.	Land Charges - Review of Planning Data Controls and Policies December 2020	1.3. We will define and implement a strong data governance framework that can be applied across Council services to sustain data quality, ensuring existing policies such as the Data Quality Standard are embedded within teams. This should include: a) A vision and strategy including objectives and priorities b) An operating model including defined roles and responsibilities c) Change management	Reasonable Progress Revised due date: Due to changes in staffing and contract delivery arrangements, due dates are being revised. 31 March 2023	Head of Organisational Insight & Intelligence, LBB	31/3/21 then 31/10/21 then 31/3/22 then 30/9/22	4

		including communication, awareness and training d) Monitoring including metrics and KPIs.				
2.	Land Charges - Review of Planning Data Controls and Policies December 2020	2.1 We will define appropriate roles and responsibilities for the data used within the LLC process (including data owners).	Reasonable Progress Revised due date: Due to changes in staffing and contract delivery arrangements, due dates are being revised. 31 March 2023	Transformation Manager, Re	31/3/21 then 31/01/22 then 30/9/22	3
3.	Land Charges – Review of Planning Data Controls and Policies December 2020	2.6. We will develop a communication plan to present and share data quality initiatives and sustaining activities between the different teams.	Reasonable Progress Revised due date: Due to changes in staffing and contract delivery arrangements, due dates are being revised. 31 March 2023	Transformation Manager, Re Update: now Head of Organisational Insight & Intelligence, LBB	31/3/21 then 31/10/21 then 31/3/22 then 30/9/22	4
4.	Local Land charge output review August 2022	1a) Local Land Charge Team and Finance will review their arrangements	Partly completed – Reasonable Progress Land Charges and Finance have held a number of meetings to ascertain the exact process and how	Finance Manager - Resources, LBB Group Manager – Private Sector,	30/9/2022	1

		<p>regarding reconciliations of payments made for LLC searches to ensure there is clarity regarding money paid to the Council, and there is a full audit trail of this process. The review will include documenting how the budget holder is notified that the monies expected have been accounted for in Integra. This will be documented in a process note.</p>	<p>payments are handled between finance and LLC. Good progress has been made and has provided initial reassurance.</p> <p>Revised Due date: 31 October 2022</p>	<p>Housing & Local Land Charges, Re</p>		
5.	<p>Local Land charge output review</p> <p>August 2022</p>	<p>1b) A flow chart will be created clearly detailing how the income from different LLC searches is received by the Council and then treated once the payment has</p>	<p>Not Completed A flow chart will be created as soon as the process with finance is confirmed. A number of meetings have taken place and good progress has been made, as noted above.</p> <p>Revised Due date: 31 October 2022</p>	<p>Finance Manager - Resources, LBB</p> <p>Group Manager – Private Sector, Housing & Local Land Charges, Re</p>	30/9/2022	1

		been accounted for.				
6.	Local Land charge output review August 2022	1c) Any remaining monies including the £65k identified during the course of the audit, which was not accounted for within Integra will be pursued	<p>Partly completed – Reasonable Progress</p> <p>It seems at this stage that any missing funds identified by audit may be a result of VAT being removed before the funds are counted in Integra. Note, LLC report gross. Finance to pursue this with the VAT expert.</p> <p>Revised Due date: 31 October 2022</p>	Finance Manager - Resources, LBB Group Manager – Private Sector, Housing & Local Land Charges, Re	30/9/2022	1
Strategic Director: Executive Director of Assurance						
7.	Premises, Licensing and Gambling May 2022	1a) The team will produce an inspection timetable that will enable the council to ensure that licences are not misused, and clients who have not paid their invoices are not using their licences.	<p>Not Completed</p> <p>A risk rating scheme will be produced to ensure that licenced premises are inspected at a frequency appropriate to the level of risk posed. Once this is available the service will consult with LBB as to its suitability and how this is matched to the resources available in the team.</p> <p>Revised Due date: 30/11/2022</p>	Group Manager: Regulatory Services - Regulatory Services	30/8/2022	1
8.	Premises, Licensing and Gambling	1b) Inspection reports will be documented,	<p>Not Completed</p> <p>As above.</p>	Group Manager: Regulatory Services - Regulatory Services	30/8/2022	1

	May 2022	signed by the inspector and the reviewer and be uploaded onto the database for future reference.	Revised Due date: 30/11/2022			
9.	Premises, Licensing and Gambling May 2022	2a) Management will review the debtors and ensure that unrecoverable debts are written off to ensure accuracy of the debt lists.	In Progress Management have confirmed that work is progressing on reviewing the current debtors list to remove bad debt from the list. Internal Audit will review evidence to confirm this work has been completed. Revised Due date: 30/11/2022	Group Manager: Regulatory Services - Regulatory Services	30/8/2022	1
10.	Premises, Licensing and Gambling May 2022	2b)The PLG team will review the 64 cases of re-issued invoices and ensure that surrendered or cancelled licences are removed from the database to eliminate the re-occurrence of these erroneous invoices.	In Progress Management have confirmed that all 64 invoices identified have either been credited or are pending credit note approval. Internal Audit will review evidence to confirm this work has been completed. Revised Due date: 30/11/2022	Group Manager: Regulatory Services - Regulatory Services	30/8/2022	1
11.	Premises, Licensing and Gambling	2c) Any customers whose invoice is cancelled,	Reasonable Progress Management confirmed that action has been implemented and that procedures have been written to	Group Manager: Regulatory Services - Regulatory Services	30/8/2022	1

	May 2022	written-off or stopped before the debt materialises or goes bad in previous year will be asked to pay the debt before a licence is reinstated.	ensure that the bad debt is recovered before any suspended licence is reinstated. Internal Audit will review evidence to confirm this action has been completed. Revised Due date: 31/10/2022			
12.	Premises, Licensing and Gambling May 2022	2d) The PLG team will ensure that where services and therefore invoicing can be stopped due to licences being suspended, that this is actioned in a timely manner, as agreed in the January 2020 Accounts Payable audit	In Progress Management confirmed that a service diary of deadlines has been set up for ensuring that the suspension tasks are completed on schedule. Revised Due date: 30/11/2022	Group Manager: Regulatory Services - Regulatory Services	30/8/2022	1

3.2.3 Outstanding medium priority actions

	Audit Title	Audit Date	Ref	Finding	Action	Responsible officer	Due date	Progress report for Audit Committee end Q2

1.	Private Residential Blocks – Fire Safety	01/05/2022	4	Absence of a fire safety management policy	We will draft a fire safety management policy in relation to private residential blocks. This will be discussed at the Fire Safety Group and will be reviewed by HBPL prior to formal sign off at the Housing and Growth Committee.	Private Sector Housing Manager (Re) and Head of Housing and Regeneration	30/09/22	<p>In Progress</p> <p>Work has been undertaken to review the Fire Safety Management Policies from other authorities. It appears that such a policy was already in place in Barnet at the time of the audit. This is now being reviewed to confirm its sufficiency.</p> <p>If the document is found to be satisfactory or amendments are required, these will be completed and formal sign off of this aspect obtained at the Housing and Growth Committee on 16th November, as part of the scheduled Fire Safety Update.</p> <p>Revised due date: 16th November 2022</p>
2.	Commercial Rents and Leases Renewal Audit August 22	12/08/2022	8a	Process and Procedures:	The Rent Review by Contractor CSG and Rent Review In-House CSG Estates processes will be formalised and	CSG Head of Property Services and Valuation	31/8/22	<p>In Progress</p> <p>Revised due date: 31 December 2022</p> <p>Management have confirmed that RICS</p>

					version-controlled as appropriate.			procedures are in use. Head of Property and Portfolio Management to provide procedure document.
3.	Commercial Rents and Leases Renewal Audit August 22	12/08/2022	8b	Process and Procedures:	The Head of Property Services and Valuation will produce a word version of the procedures for reference purposes, and to reduce the risk of knowledge loss or gaps in knowledge if experienced staff leave the team.	CSG Head of Property Services and Valuation	30/09/2022	In Progress Revised due date: 31 December 2022 Management have confirmed that RICS procedures are in use. Head of Property and Portfolio Management to provide procedure document.
4.	Premises, Licensing and Gambling	30/05/2022	3a	Comprehensive Licensing – Data update	a) A timetable will be agreed for ensuring the ongoing update of the database. This will involve updating information related to surrendered licences, cancelled licences, or transferred licences.	Group Manager: Regulatory Services	30/08/2022	In Progress Management have confirmed that the database is updated on receipt of information from licence holders. Officers have been trained on how to update new licence holder details in the finance system and on Uniform. A reconciliation of these updates against notifications that have been received will be carried out by the end of October 2022.

								Revised due date: 31 October 2022
5.	Premises, Licensing and Gambling	30/05/2022	3b	Comprehensive Licensing – Data update	b) The PLG team will ensure that the Uniform database is reconciled annually to confirm that all surrendered and cancelled licences have been removed.	Group Manager: Regulatory Services	30/08/2022	Not Completed Currently the service do not carry out whole-scale review of the licensing database due to the size of the task and the resources required. Revised due date: 31 December 2022
6.	Premises, Licensing and Gambling	30/05/2022	3c	Comprehensive Licensing – Data update	c) The reconciliation documents will be signed by the officer that reconciled it and the senior officer that reviewed the correctness of the process.	Group Manager: Regulatory Services	30/08/2022	In Progress Management confirmed that work is currently progressing on GDPR compliant retention periods. Revised due date: 31 December 2022
7.	Premises, Licensing and Gambling	30/05/2022	3d	Comprehensive Licensing – Data update	d) PLG management will confirm resourcing for the data cleanse and will consider giving higher priority to it i.e. sooner than within the planned 6 months, to ensure accuracy of the information and the invoicing process.	Group Manager: Regulatory Services	30/08/2022	In Progress Management have confirmed they are scoping this work and will then approach IDOX for a quote. Revised due date: 31 December 2022

8.	Premises, Licensing and Gambling	30/05/2022	4a	Invoices and Payments: Debt Recovery	a) The Premises Licensing and Gambling team will implement a process to provide authorisation for the AR team every month to take recovery action against unpaid invoices when the premises cease trading.	Group Manager: Regulatory Services	30/07/2022	<p>In Progress</p> <p>A week of action is being arranged where licensing officers will be visiting suspended premises to bring inline any that are still trading by making them pay their fees that suspended their licence.</p> <p>Revised due date: 31 December 2022</p>
9.	Premises, Licensing and Gambling	30/05/2022	4b	Invoices and Payments: Debt Recovery	b) The PLG team will ensure that all cancelled and surrendered licences are removed from its database and customers are not invoiced in subsequent years.	Group Manager: Regulatory Services	30/07/2022	<p>In Progress</p> <p>Management confirmed that the database is now being updated to show surrendered and suspended licences. The procedure note for this process will be updated by the end of December 2022.</p> <p>Revised due date: 31 December 2022</p>
10.	Premises, Licensing and Gambling	30/05/2022	4c	Invoices and Payments: Debt Recovery	c) The PLG team will inspect the 19 sites where invoices have been returned as 'Gone away'.	Group Manager: Regulatory Services	30/06/2022	<p>Not Completed</p> <p>The licensing team will ensure that these 19 premises are visited during the week of action referred to above.</p> <p>Revised due date: 31 December 2022</p>

11.	Premises, Licensing and Gambling		5a	Policies and Procedures – Documentation and Version Control	a) The Group Manager will ensure that the Gambling process and procedure is updated and approved.	Group Manager: Regulatory Services	31/08/2022	In Progress Management confirmed that headway has been made in identifying the gaps in the Gambling Procedures. Revised due date: 31 December 2022
12.	Premises, Licensing and Gambling		5b	Policies and Procedures – Documentation and Version Control	b) Management will complete the review of all the procedures and update them accordingly.	Group Manager: Regulatory Services	31/08/2022	In Progress Management confirmed that work has started in relation to the updating of all the procedure in place for the licensing team, and that management sign off and version numbers have been added to all revised procedures Revised due date: 31 December 2022
13.	Premises, Licensing and Gambling	30/05/2022	5c	Policies and Procedures – Documentation and Version Control	c) Management will document roles and responsibilities in the current Premises, Licensing and Gambling operation.	Group Manager: Regulatory Services	31/08/2022	Not Completed This will be taken forward by the New Group Manager who is not starting until January 2023. Revised due date: 31 January 2023

3.3 Completed actions

3.3.1 During this period we followed up 3 high priority and 8 medium priority actions which are deemed to have been implemented, superseded or closed. These are listed below:

3.3.2 Completed high priority actions

	Name of report	Agreed Action	Owner	Due Date
1.	QL Housing System Jan-22	1a. A central listing of all property additions, disposals, and changes in categorisation (e.g., demolitions) within the Council will be created and stored in a shared drive so that relevant Council and Barnet Homes officers can access it to perform updates and reconciliations to the QL system.	Head of Housing and Regeneration, Barnet Council	31/3/22
2.	QL Housing System Jan-22	1c. We will run periodic reconciliations (e.g., quarterly) between property listings maintained by other teams to the QL system and stored in a central location, so they are accessible to relevant officers.	Finance Director, The Barnet Group	31/3/22
3.	Local Land charge Output Review August 22	Finance will work with Cashbook to: <ul style="list-style-type: none"> • Identify the types of transactions that are feeding into integra and what the source data looks like. • What the time-lag is between income received through cashbook and allocated to the cost centre so as to enable a complete reconciliation of income. 	Finance Manager - Resources, LBB Group Manager – Private Sector, Housing & Local Land Charges, Re	30/9/22

3.3.3 Completed medium priority actions

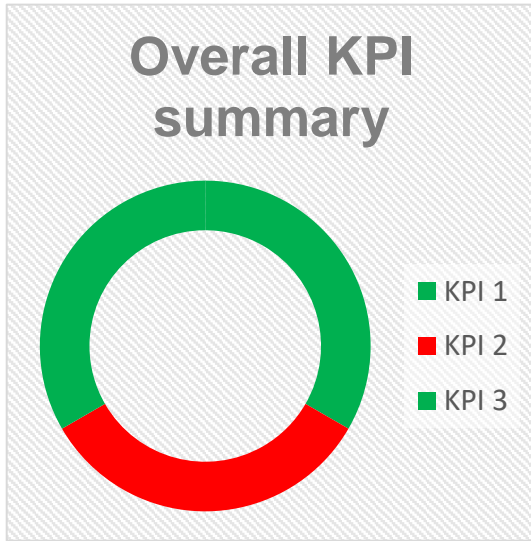
	Audit Title	Audit Date	Ref	Finding	Action	Responsible officer	Due date
1.	Council Tax	Dec-21	3a	The retention of supporting documentation for debt write-off	Evidence of debt write-off supporting documentation write-off request forms with reasons for write-off, tracing reports, Experian reports and management checks will be completed and retained for referral.	Revenues Operation Manager, CSG Revs & Bens Contract Manager for London Borough of Barnet, CSG	1/3/22
2.	QL Housing System	Jan-22	2b	Accuracy of the QL property portfolio	We will consider options to automate the process for uploading property additions within the QL portfolio and/or clarify roles and responsibilities in relation to these uploads so the onus is on the individual teams to make these changes, with the IT Manager having a level of system review once changes are made.	Finance Director, The Barnet Group	31/03/2022

3.	QL Housing System	Jan-22	3	Timeliness of communication between Barnet Homes and the Council	Barnet Homes and the Council will meet quarterly to communicate Council property additions and disposals. To do so, Barnet Homes and the Council will draft a Terms of Reference, which will outline the purpose of the meetings, a timetable for meetings and relevant attendees.	Head of Housing and Regeneration, Barnet Council, Finance Manager, Barnet Council, Finance Director, The Barnet Group	31/03/2022
4.	Commercial Rents and Leases Renewal Audit	12/08/2022	3b	Income Collection and Debt Recovery: Debt Management:	The Head of Property Services and Valuation will liaise with the AR and the HB Public Law to ensure that the Client 'Y' case is resolved.	CSG Head of Property Services and Valuation,	31/8/22
5.	Commercial Rents and Leases Renewal Audit	12/08/2022	3a	Income Collection and Debt Recovery: Debt Management:	The Head of Property Services and Valuation will liaise with the appropriate stakeholders to ensure that the Deed of Rectification & Supplemental Agreement is finalised to enable the Council to start recovering the debts from the holding company.	CSG Head of Property Services and Valuation	30/8/22

6.	Commercial Rents and Leases Renewal Audit	12/08/2022	7a	Commercial Property Records: Register or Database	<p>A timeline will be drawn up to provide target dates for the delivery of the project to renew the property database/management system.</p> <p>Note: Superseded as the CSG Estates contract is now coming back in house September 2023.</p>	CSG Head of Property Services and Valuation	31/8/22
7.	Commercial Rents and Leases Renewal Audit	12/08/2022	7b	Commercial Property Records: Register or Database	<p>Progress will be monitored against the project plan to ensure it stays on track and regular reports of progress will be given to senior management.</p> <p>Note: Superseded as the CSG Estates contract is now coming back in house September 2023.</p>	CSG Head of Property Services and Valuation	31/8/22
8.	Commercial Rents and Leases Renewal Audit	12/08/2022	7c	Commercial Property Records: Register or Database	<p>The Head of Property Services and Valuation will ensure that adequate arrangements are in place to accurately fulfil any statutory obligations to provide information to the Valuation Office Agency or any in-house teams for the carrying on of Business-as-usual in relation to the Council's properties.</p>	CSG Head of Property Services and Valuation	31/8/22

Appendices

Appendix A: Key performance indicators (KPIs)



KEY:

Fully Achieved

Partially Achieved

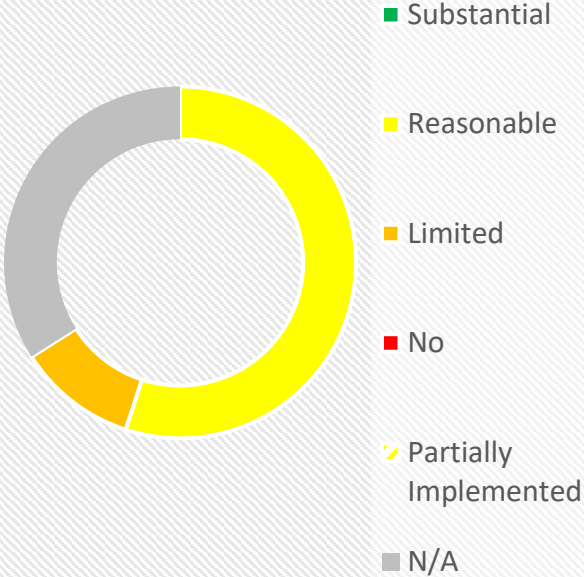
Not Achieved

N/A



KPI	Target	Results	Comment										
1. % of Plan delivered	Q1 and Q2 Cumulative 49%	53%	<p>Work in progress is incorporated as follows:</p> <table border="1"> <tr> <td>Not Started</td> <td>0%</td> </tr> <tr> <td>Planning</td> <td>20%</td> </tr> <tr> <td>Fieldwork</td> <td>50%</td> </tr> <tr> <td>Draft Report</td> <td>90%</td> </tr> <tr> <td>Complete</td> <td>100%</td> </tr> </table> <p>Applying these %s to work in progress shows that we have delivered 53% of our plan for the year against a half year target of 49%.</p> <p>Up to 50% = Not Achieved 51% - 94% = Partially Achieved 95% = Fully Achieved</p>	Not Started	0%	Planning	20%	Fieldwork	50%	Draft Report	90%	Complete	100%
Not Started	0%												
Planning	20%												
Fieldwork	50%												
Draft Report	90%												
Complete	100%												
2. Verification that at least 90% of Critical and High Risks have been mitigated by management at the time of follow up	90%	31%	<p>0-49% = Not Achieved 50-89% = Partially Achieved 90% = Fully Achieved</p>										
3. Average customer satisfaction score for year to meet or exceed acceptable level for at least 85% of completed surveys	85%	100%	<p>0-49% = Not Achieved 50-84% = Partially Achieved 85% = Fully Achieved</p>										

Assurance Ratings



<p>4. % of reports year to date achieving:</p> <ul style="list-style-type: none"> •Substantial •Reasonable •Limited •No Assurance •Partially Implemented Implemented •N/A 	<p>N/A</p>	<p>0% 55% 11% 0% 0% 0% 34%</p>	
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London Borough of Barnet

Counter Fraud Assessment

Date: 24 October 2022

Report Author:

Paul Rock, Assistant Director Internal Audit and Counter Fraud
London Borough of Lambeth

Introduction and Background

This review was undertaken as part of the 2022-23 Internal Audit and Anti-Fraud Strategy and annual plan.

In line with the requirements of the Public Sector Internal Audit Standards (PSIAS), the Council's Internal Audit service underwent an External Quality Assessment (EQA) in February 2022. The resultant report stated that whilst not a requirement of the PSIAS, the Head of Internal Audit may also wish to consider auditing the Council's approach to fraud prevention, detection, and investigation.

Due to the close working relationship of the Council's Head of Internal Audit with the Corporate Anti-Fraud Team (CAFT), it was agreed that the audit would be undertaken by a third party to ensure appropriate independence.

Taking a similar approach to the EQA of Internal Audit the CAFT team self-assessed against the Fighting Fraud & Corruption Locally Strategy checklist and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Managing the Risk of Fraud and Corruption. The self-assessment has then been independently reviewed and validated Paul Rock, Assistant Director Internal Audit and Counter Fraud Services at the London Borough of Lambeth.

Conclusion

Overall, the Corporate Anti-Fraud Team is a well led, professional and respected service. Based on the self-assessment, supporting evidence and independent validation it is the view of the lead assessor that the Council generally conforms with the Fighting Fraud & Corruption Locally Strategy checklist and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Managing the Risk of Fraud. Definitions of all the ratings are detailed in Appendix A. Generally, Conforms is the highest available rating.

Generally Conforms	The relevant structures, policies, and procedures of the counter-fraud service, as well as the processes by which they are applied, comply with the recommendations of FFL and the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption in all material respects.
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Areas for Improvement

The assessment identified some areas for improvement which includes the following:

- Ensure that senior management and the Audit Committee are provided with an opportunity (at least annually) to review a consolidated fraud risk register that covers all key fraud risks for the Council. Each risk should be assessed for impact and likelihood and identify current mitigating actions as well as identifying any further actions to minimise the risk of each fraud. CAFT should utilise the consolidated fraud risk register to assess the adequacy and

capability of their resources and map planned CAFT activity against the risks on the register.

- CAFT should increase engagement with teams that regularly review and/or introduce new policies and strategies to ensure any policies, strategies or initiatives are reviewed by CAFT and 'fraud proofed' before they go live. The progress and outcomes of this work should be included in activity reports to senior management and the audit committee.
- Introduce continuous professional development requirements for core investigation skills for all investigation staff; this could be achieved by joining the Government Counter Fraud Profession.
- Introduce appropriate key performance indicators that measure performance against non-investigation activity such as prevention, anti-fraud culture, raising awareness of fraud, delivery of the proactive plan. The measures could include:
 - Completion rates of fraud e-learning content.
 - Percentage of fraud awareness programme delivered.
 - Percentage of staff positively responding in a survey that they would report suspect fraud and similar crimes.
 - Percentage increase in fraud referrals from areas targeted for fraud awareness.
 - Percentage completion of agreed proactive work plan.
- Develop a risk-based rolling programme for delivering fraud awareness sessions (virtual or in-person) throughout the Council. Report progress against the programme when formally reporting to senior management and the audit committee.
- When reporting investigation activity include comparators to previous year(s) performance and/or any targets to support senior management and the audit committee in understanding and assessing performance.
- Allocate sufficient, dedicated resources to proactive fraud prevention work to ensure this work is not subordinated for investigations and there is a good balance of prevention and investigation activity that is measured and reported.

An action plan has been developed by the Head of Internal Audit to address these areas and is included as Appendix B. Progress/completion of this action plan should be reported to senior management and the Audit Committee.

Appendix A

Opinion	Definition
Generally Conforms	The relevant structures, policies, and procedures of the counter-fraud service, as well as the processes by which they are applied, comply with the recommendations of FFL and the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption in all material respects.
Partially Conforms	The counter-fraud service falls short of achieving some elements of practice but is aware of the areas for development. These will usually represent significant opportunities for improvement in delivering effective counter-fraud arrangements.
Does not Conform	The counter-fraud service is not aware of, is not making efforts to comply with, or is failing to achieve many/all of the objectives of FFL and the CIPFA.

Recommendation		Management Response Responsible Officer Target Date
1	Ensure that senior management and the Audit Committee are provided with an opportunity (at least annually) to review a consolidated fraud risk register that covers all key fraud risks for the Council. Each risk should be assessed for impact and likelihood and identify current mitigating actions as well as identifying any further actions to minimise the risk of each fraud. CAFT should utilise the consolidated fraud risk register to assess the adequacy and capability of their resources and map planned CAFT activity against the risks on the register.	Agreed – we will aim to include a consolidated fraud risk register in the 23/24 joint IA and CAFT annual strategy and plan which is presented to CMT and Audit Committee. In addition, Audit and CAFT will work with departments going forward to scrutinise fraud related risks on the department's registers
2	CAFT should increase engagement with teams that regularly review and/or introduce new policies and strategies to ensure any policies, strategies or initiatives are reviewed by CAFT and 'fraud proofed' before they go live. The progress and outcomes of this work should be included in activity reports to senior management and the audit committee.	Agreed – although this has reliance on departments informing audit and CAFT of any newly introduced policies or strategies. However, we will aim to introduce a mechanism to identify these as part of our 23/24 plan.
3	Introduce continuous professional development requirements for core investigation skills for all investigation staff; this could be achieved by joining the Government Counter Fraud Profession.	Agreed – Our intention is to join Government Counter Fraud Profession next year. Meanwhile all CAFT staff are professionally qualified and have access to ongoing training.
4	Introduce appropriate key performance indicators that measure performance against non-investigation activity such as prevention, anti-fraud culture, raising awareness of fraud, delivery of the proactive plan. The measures could include: <ul style="list-style-type: none"> a. Completion rates of fraud e-learning content. b. Percentage of fraud awareness programme delivered. 	Agreed – although there are challenges difficulty in reporting / measuring fraud prevention however we will: <ul style="list-style-type: none"> a. Report on the fraud awareness e-learning at least biannually. b. Report on fraud training that has been delivered biannually.

	<ul style="list-style-type: none"> c. Percentage of staff positively responding in a survey that they would report suspect fraud and similar crimes. d. Percentage increase in fraud referrals from areas targeted for fraud awareness. e. Percentage completion of agreed proactive work plan. 	<ul style="list-style-type: none"> c. Give consideration of how we may introduce this. d. These statistics are already kept by Tenancy and concessionary fraud teams but not made public as they are the source of our referrals. e. This reporting will be reintroduced in our next annual report and onwards thereafter.
5	Develop a risk-based rolling programme for delivering fraud awareness sessions (virtual or in-person) throughout the Council. Report progress against the programme when formally reporting to senior management and the audit committee.	Agreed - This responsibility has been introduced into the Counter Fraud Managers Role which will begin January 2023. A revised program for fraud awareness will be developed for 23/24.
6	When reporting investigation activity include comparators to previous year(s) performance and/or any targets to support senior management and the audit committee in understanding and assessing performance.	Agreed - This was reported in previous years, however due to the effects of Covid restrictions on investigations, interviews, visits and prosecutions was not included in recent reports. These statistics can be reintroduced on an annual basis from April 2023.
7	Regularly monitor the delivery of proactive and fraud prevention work over the next 12 months ensuring this work is not subordinated for investigations and there is a good balance of prevention and investigation activity. If necessary, in the future, allocate dedicated (or ring-fenced) resources to proactive exercises and fraud prevention activity to safeguard delivery.	Agreed - Intelligence led proactive exercises will be reintroduced by the Team within the year. These will be monitored and if necessary, in the future, allocate dedicated (or ring-fenced) resources to ensure proactive exercises and fraud prevention activities are delivered.

	<p>AGENDA ITEM 9</p> <p>Audit Committee</p> <p>2nd November 2022</p>
<p style="text-align: center;">Title</p>	<p>Grants Certification Work Report 2020/21</p>
<p style="text-align: center;">Report of</p>	<p>Executive Director of Strategy and Resources</p>
<p style="text-align: center;">Wards</p>	<p>All</p>
<p style="text-align: center;">Status</p>	<p>Public</p>
<p style="text-align: center;">Urgent</p>	<p>No</p>
<p style="text-align: center;">Key</p>	<p>No</p>
<p style="text-align: center;">Enclosures</p>	<p>None</p>
<p style="text-align: center;">Officer Contact Details</p>	<p>Anisa Darr – Executive Director of Strategy and Resources, Anisa.Darr@Barnet.gov.uk 020 8359 7634</p>

<h2>Summary</h2>
<p>The purpose of the report is to update Committee on the progress of the external auditors work in respect of the certification of grants for 2020/21.</p> <p>BDO LLP (the council’s external auditors) undertake the certification of both the Capital Receipts Pooling Return and the certification of the Teachers’ Pension Fund Return for 2020/21.</p> <p>The council has engaged KPMG LLP to complete the certification of the Housing Benefit Subsidy Claim for 2020/21.</p> <p>Capital Receipts Pooling Return The audit of this grant claim was completed and an update given to this Committee in June 2022.</p> <p>Housing benefit subsidy The audit of this grant claim was completed and an update given to this Committee in June 2022.</p>

Teachers’ pension fund return certification

The certification of the teachers’ pensions return for the year ended 31 March 2021 is currently underway.

This Committee on 15th September 2022, requested that the Chair write to Capita to escalate the issues that officers and BDO are facing in obtaining the outstanding information required to complete this return. Officers have escalated this within Capita and have been advised that the majority of the information requested by BDO has now been provided.

Audit fees

The fee paid to the auditors to BDO for certification of the Housing benefit subsidy claim was £3,500 and the estimated fee for the certification Teachers’ pension fund return is £5,000.

The fee paid to KPMG Ltd for the Housing Benefit Subsidy Audit was £20,950.

Officers Recommendations

- 1. That the progress on the Teachers’ Pensions Audit are noted by the Committee; and**
- 2. That the Committee consider whether there are any areas on which they require additional information.**

1. WHY THIS REPORT IS NEEDED

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

2. REASONS FOR RECOMMENDATIONS

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

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 None

4. POST DECISION IMPLEMENTATION

4.1 None

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

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

5.1.2 The current corporate plan (Barnet Plan 2021-2025) was adopted in March 2021. Following the May 2022 elections, the council now has a new administration and a new corporate plan, consistent with the new administration's priorities will be brought forward shortly.

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

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

5.2.2 The audit fee for 2020/21 is expected to be £29,450 with the final figure being known once the Teachers' Pension Audit has been completed.

5.3 Social Value

5.3.1 None in the context of this decision

5.4 Legal and Constitutional References

5.4.1 The Council's Constitution (Article 7) sets out the terms of reference for Committees. The responsibilities for the Audit Committee include providing "independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment and to oversee the financial reporting process".

5.5 Risk Management

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

5.6 Equalities and Diversity

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

community.

5.7 **Consultation and Engagement**

5.7.1 None in the context of this report.

5.8 **Insight**

5.8.1 None in the context of this report.

6. **ENVIRONMENTAL IMPACT**

6.1 None in the context of this report.

7. **BACKGROUND PAPERS**

7.1.1 None in the context of this report.



Audit Committee

AGENDA ITEM 10

2nd November 2022

Title

**Corporate Anti-Fraud Team (CAFT)
Q2 report 2022-23**

Report of

Executive Director of Assurance

Wards

All

Status

Public

Urgent

No

Key

No

Enclosures

*Appendix 1 - CAFT Progress Report
1st July 2022 – 30th September 2022*

Officer Contact Details

Clair Green

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Summary

This report covers the period 1st July 2022 to 30th September 2022 and represents an up-to-date picture of the work undertaken by Corporate Anti-Fraud Team (CAFT) during that time

Recommendation

That the work of the Corporate Anti-Fraud Team referred to in appendix 1 be noted

1. WHY THIS REPORT IS NEEDED

- 1.1 The Audit Committee included in the work programme for 2022/23 that a quarterly report on the work of the Corporate Anti-Fraud Team is produced to this meeting.

2. REASONS FOR RECOMMENDATIONS

- 2.1 To note the Q2 CAFT report for 2022-23

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 **None**

4. POST DECISION IMPLEMENTATION

- 4.1 Any decisions will be agreed implemented and logged for future audit committee

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The current corporate plan (Barnet Plan 2021-2025) was adopted in March 2021. Following the May 2022 elections, the council now has a new administration and a new corporate plan, consistent with the new administration's priorities will be brought forward shortly.

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

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

5.2 Social Value

- 5.2.1 **N/A**

5.3 Legal and Constitutional References

- 5.3.1 Under Section 151 of the Local Government Act 1972 the Council has a statutory obligation to make arrangements for the proper administration of their financial affairs. An effective system of prevention and detection of fraud and corruption supports this obligation..

- 5.3.2 Article 7 of the Council's Constitution sets out the Audit Committee's terms of reference, which include to monitor the effective development and operation of the Council's Corporate Anti-Fraud Team

5.4 Risk Management

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

5.5 Equalities and Diversity

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

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

5.6 Corporate Parenting

5.6.1 N/A

5.7 Consultation and Engagement

5.7.1 None

5.8 Insight

5.8.1 N/A

6 ENVIRONMENTAL IMPACT

6.1 None in the context of this report.

7.1 BACKGROUND PAPERS

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

7.2 Audit Committee 16th July 2019 (Decision item 14) the Audit committee included in the Committee Forward Work Programme that quarterly progress report on the work of the Corporate Anti-Fraud Team be produced to this meeting.

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Appendix 1

Corporate Anti-Fraud Team (CAFT) Progress Report: 1 July 2022 – 30 September 2022

EXECUTIVE SUMMARY

This report is to provide a summary on the outcome of all CAFT work undertaken during 1 July 2022 to 30 September 2022 and represents an up-to-date picture of the work undertaken, including CAFT progress and outcomes set against the objectives as set out in our annual strategy and work plan.

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

The **Corporate Fraud Team** investigated **59** cases of alleged fraud. These investigations resulted in **3** cases where evidence was obtained to enable disciplinary action to take place, **2** Administrative Penalties were given relating to Council Tax Support claims (valued at £1,436.09), **1** Covid Grant being denied (valued at £3,000) as well as **8** civil recovery cases relating to Council Tax payments (totalling **£15,930.09** identified for recovery). A further case was referred to the Police, where CAFT had investigated a mandate fraud in Adults Social Services and recovered **£24,656** back into the council. The team are utilising the Fraud Hub provided by the Cabinet Office to pro-actively upload Council data to identify potential fraud and are co-ordinating investigating the matches with the departments involved. 5619 matches have been identified for further investigation relating to Single Person (SPD) claims.

The **Concessionary Travel Fraud** Team has investigated **95** cases of alleged Blue Badge misuse, fraudulent appeals relating to penalty charge notices (PCNs) and alleged parking permit fraud. These resulted in **4** cautions being administered, and **6** warning letters being issued. The team have been carrying out bi-weekly pro-active on street exercises to identify blue badge misuse in the Borough, in order to increase visibility and maximise new investigations. The team are utilising the Fraud Hub provided by the Cabinet Office to pro-actively upload Blue Badge data to identify any where the badge holder has passed away and are ensuring that the blue badges identified are cancelled.

The team has also put in a place a new working protocol with Parking Services to ensure that every PCN, issued against a Blue Badge and subsequently appealed, has assurance that the badge was not being misused in the first instance.

The **Tenancy Fraud team** have investigated **186** cases of alleged Tenancy Fraud. They were responsible for recovering **4** properties and preventing **3** Right to Buy applications due to the applicants not being eligible to purchase under the scheme. A further **1** Right to Buy application was denied as Anti-Money Laundering (AML) checks had failed to verify the origin of funds being used. In addition to this, Tenancy fraud officers prevented **1** new Assignment application from going through due to the applicant not being resident at the property for the prescribed 12 months.

There have been **13 Financial (Proceeds of Crime) Investigations** carried out this quarter. **12** of these are ongoing and recovery of confiscation orders continues. **1** case was closed due to insufficient assets being available to continue.

In addition to the specialist Financial investigative role, CAFT continue to provide advice and support to every aspect of the organisation including its partners and contractors. This advice varies between fraud risk, prevention and detection, money laundering and other criminal activity as well as misconduct and misuse of public funds. Some of the matters will progress to criminal investigation and others will not, but in all cases appropriate actions, such as disciplinary or recovery action is taken. It is this element along with the

'preventative – deterrent' nature of the CAFT work that is hard to quantify statistically but where possible we have done so in the performance indicators section of this report.

We are confident that CAFT will continue to provide an efficient value for money counter fraud service and has demonstrated that it is able to successfully investigate all types and levels of fraud referrals to an appropriate outcome.

Other information reported as per requirements of policy.

Number of requests authorised for surveillance in accordance with Regulation of Investigatory Powers Act 2000 (RIPA).	1 this Quarter. This statistic is reported for information purposes in accordance with our policy and statistical return to the Office of Surveillance Commissioners.
Number of referrals received under the council's whistleblowing policy.	0 this Quarter

CORPORATE FRAUD

There have been **59** cases dealt with in **Quarter two** of 2022-23 relating to Fraud against services provided by the Council or within Service Areas

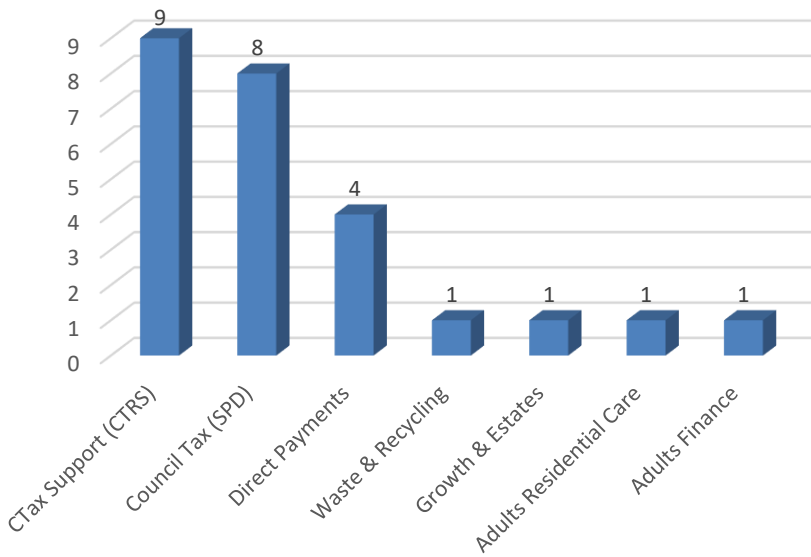
34 cases carried forward from Q1

25 New referrals received in Q2

27 cases were closed in Q2

32 on-going investigations

New Referrals received in Quarter 2



The majority of referrals in this quarter relate to **Council Tax Support (CTRS)** and **Single Person Discount Fraud (SPD)** with this being **68%** of all new referrals.

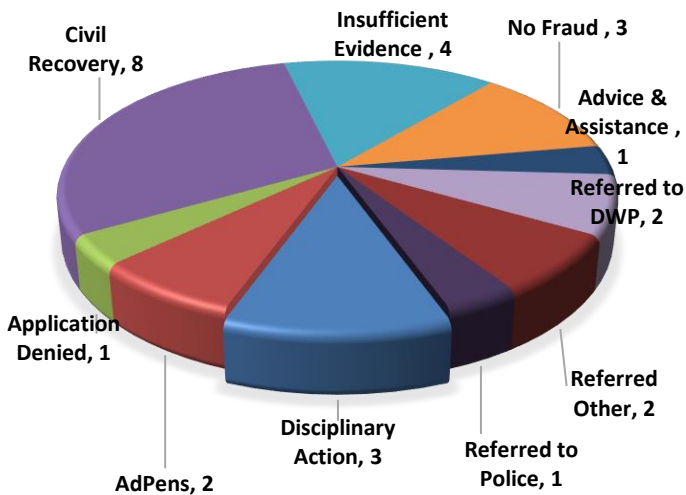
The number of new referrals received this quarter is consistent with last quarter

A further 5619 data matches have been identified through the NFI Fraud Hub relating to Council Tax SPD for further investigation in co-ordination with the Council Tax team

■ Service Area Referral relates to

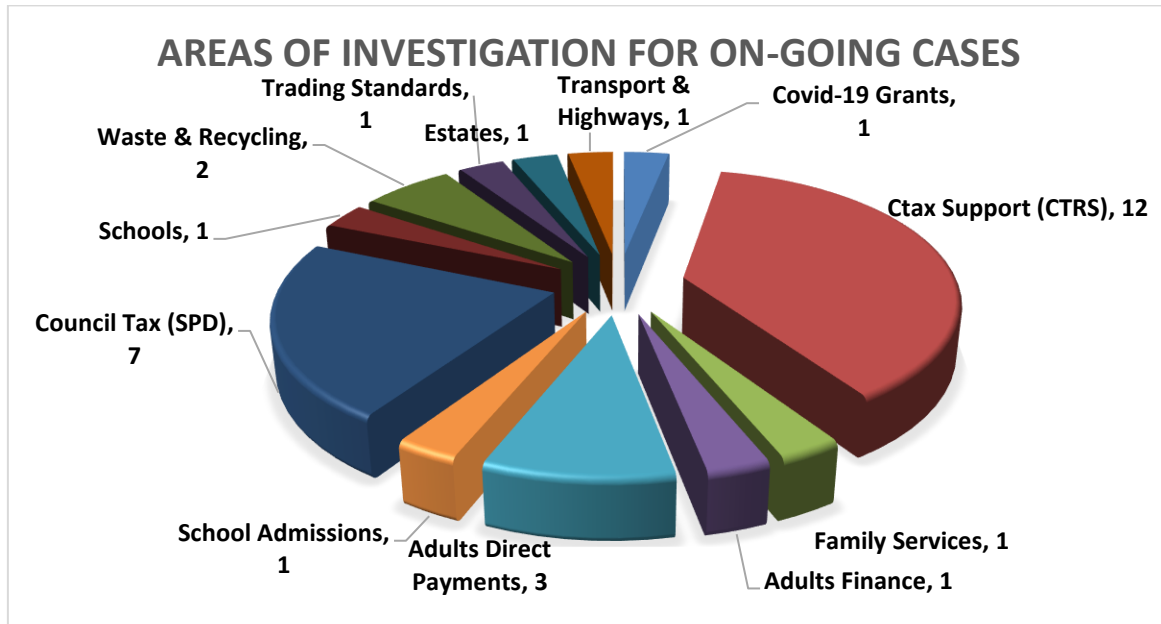
Closed cases in Quarter 2

CASE OUTCOMES



- 3** Referred to HR for Disciplinary Action
- 2** Administrative Penalties (*generating £1,436.09 in income*)
- 1** Application denied: Covid-19 Business Grant denied (**£3,000** Fraud prevented)
- 8** Civil Recovery
 - 4 Single Person discounts (SPD) removed from Council Tax accounts resulting in **£5,282.61** to be recovered
 - 4 Council Tax Support (CTRS) (**£10,647.48** to be recovered)
- 4** Insufficient Evidence
- 3** No Fraud
- 2** Referred to DWP
- 1** Referred to HMRC
- 1** Referred to Police (*following recovery of £24,656*)
- 1** Advice & Assistance
- 1** Referred to Bank fraud department

On-going investigations



- 12 Council Tax (CTRS)
- 7 Council Tax (SPD)
- 3 Adults Direct Payments
- 2 Waste & recycling
- 1 Estates
- 1 Covid-19 Grants
- 1 Adults Finance
- 1 Family Services
- 1 School Admissions
- 1 Trading Standards
- 1 Schools
- 1 Transport & Highways

1 case has been approved for prosecution and will be processed by our legal team

Noteworthy Corporate Cases

Case 1 – A claim for a Business Support Grant was received in respect of a residential property. The Business rates team had concerns because another person had already made a claim at that address and had submitted utility bills in their name. The suspect had provided utility bills which were investigated further by CAFT, and evidence was obtained that he had supplied altered documents. An attempt was made to interview the suspect under caution in relation to Fraud Act offences; however, he had moved abroad and was not contactable. The grant application was denied preventing a loss to Barnet of **£3,000**.

Case 2 – Mr A was receiving Council Tax Support due to being in receipt of a low income. The benefits team had highlighted that Mr A had a second income that he failed to declare. An investigation commenced for a failure to promptly notify the Council of this change. This resulted in an overpayment of council tax support of **£872.18**. CAFT issued an Administrative Penalty to Mr A resulting in him paying a penalty amount of **£436.09** as well as the overpaid council tax support.

Case 3 – A referral had been received relating to a member of staff in Waste & Recycling who had allegedly been taking cash in return for collecting waste from a commercial premises. The Collection crew were not permitted to collect at this address as they were on a residential collection round. CAFT commenced an investigation and identified the refuse vehicle in question and the crew members on that round. CCTV evidence captured from the refuse vehicle showed two crew members loading waste from the shop into the refuse vehicle. All crew members were interviewed, and the agency member of staff was dismissed from his role. The evidence in this case has been passed to the service and a full disciplinary investigation is taking place. The commercial premises did not have a trade waste agreement in place, this has since been rectified and a subsequent trade waste agreement was arranged for a weekly collection generating income for LBB of **£790.14** per year. Evidence shows that trade waste was collected from the shop by refuse loaders for at least 6 weeks which totals **£91.17** in lost revenue to the Council, and an un-quantifiable amount pertaining to any contaminated recyclable waste as a result. This shop has never had a trade waste agreement in place and therefore the Council had a loss of revenue for the collection of waste totalling approximately **£1,276.38**.

Case 4 – CAFT commenced an investigation following a referral from the adult’s finance department. The Council had become victim to a mandate Fraud where the suspect had intercepted emails and requested a change of bank details for a supplier (care home). All of the due diligence checks were carried out but this was a sophisticated fraud involving them taking on the identity of the care home and **£24,656** was paid out as a result. CAFT had established the bank account where the funds were paid and took steps to recover the money due to bank flagging the transaction as suspicious. The evidence gathered was referred to the Council’s bank via their fraud team and the Police to commence criminal action against the fraudsters who had supplied false addresses to open the account. There was no loss to Barnet due to the funds being recovered.

This section details the investigation of Blue Badge Misuse, Blue Badge, Parking permit fraud and fraudulent appeals for Penalty Charge Notices (PCN's). Blue Badges can only be used by the named badge holder, or by a person who has dropped off or is collecting the badge holder from the place where the vehicle is parked. It is a criminal offence for anyone else to use a Blue Badge in any other circumstances.

There have been **95** cases dealt with in **Quarter two** of 2022-23 relating to Concessionary Travel Fraud

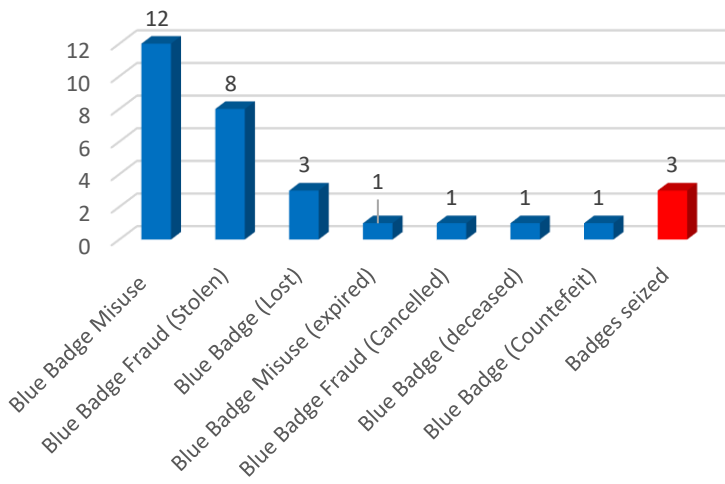
67 cases carried forward from Q1

28 New referrals received in quarter 2

28 cases were closed in Q2

67 on-going investigations

New Referrals received in Quarter 2

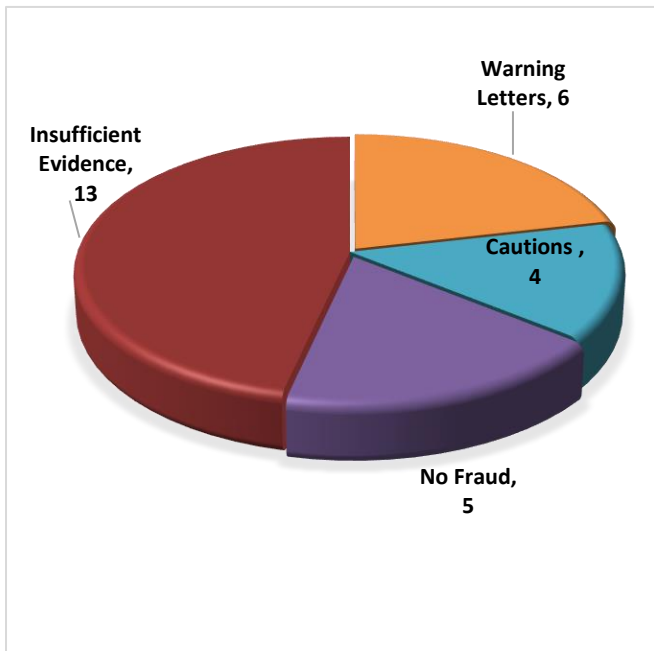


The highest number of referrals related to blue badge misuse / fraud in the area of Finchley Church End with this accounting for **21%** of all new referrals received this quarter. This is due to a pro-active intelligence led exercise in this area

28.5% of new cases related to the use of stolen blue badges

A further **429** data matches have been identified through the NFI Fraud Hub relating to deceased badge holders for further investigation in co-ordination with the Assisted Travel team

Closed cases in Quarter 2



Outcomes

4 Cautions  (total costs recovered £85)

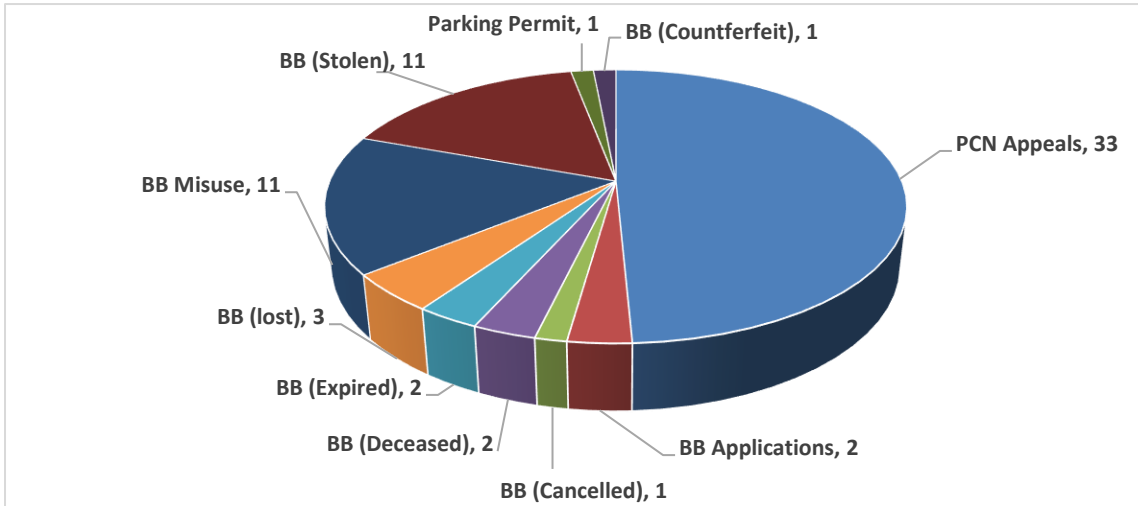
6 Warning Letters 

* Where the circumstances of the misuse are such that criminal sanction is not appropriate, an example would be a badge holder using their own expired badge whilst waiting for a new badge to be issued

13 Insufficient Evidence

5 No Fraud

On-going Investigations



1 case is with our legal team for prosecution relating to the use of a deceased persons blue badge

Four Cautions were administered by the Concessionary Travel Team in Quarter one

Following investigative interviews under caution, the circumstances of these cases allowed CAFT to consider them to be dealt with by way of the administration of a Simple Caution. All of the cases that were cautioned related to instances of straight forward misuse that took place. These include situations where errands were being run by family members on behalf of the badge holder such as the collection of medication or food. The offenders stated that they had the badge holder's permission and believed that the badge could be used for such action. However, when the Blue Badge scheme was explained to them, they realised that their actions fell outside of what was permitted. In such cases and in accordance with our policy the council can issue a simple caution rather than pursue the matter through the courts.

Noteworthy Concessionary Travel Cases

Case 1- relates to the misuse of a blue badge. Ms S was initially using the badge legitimately in the presence of the badge holder; however, the badge holder then left the location of where the vehicle was displaying the badge and returned home. Due to sudden illness Ms S stated that she had forgotten that the badge was still on display however she admitted that it had still remained on her vehicle parked in a space where a concession is available to blue badge holders and that therefore she had misused the badge. As a result and having considered her mitigation it was decided to issue her with a simple caution which she duly accepted.

Case 2- Ms C was found using a blue badge belonging to her disabled husband. When first approached by CAFT officers she stated that the badge holder was in a nearby shop, but upon being challenged she admitted that he was in fact at home and admitted fully to having used the badge in his absence. Given her personal circumstances the decision was made on this occasion to conclude the matter by way of a caution being given, which she accepted, and she also contributed towards the cost of the investigation

TENANCY FRAUD

The Tenancy Fraud team prevent, identify, investigate, deter, and sanction persons that commit Tenancy Fraud in Barnet, ensuring a maximum return of properties back to the Council and Social Housing Partners where Tenancy Fraud has been proven.

There have been **186** cases dealt with in **Quarter two** of 2022-23 relating to Tenancy Fraud

94 cases carried forward from Q1

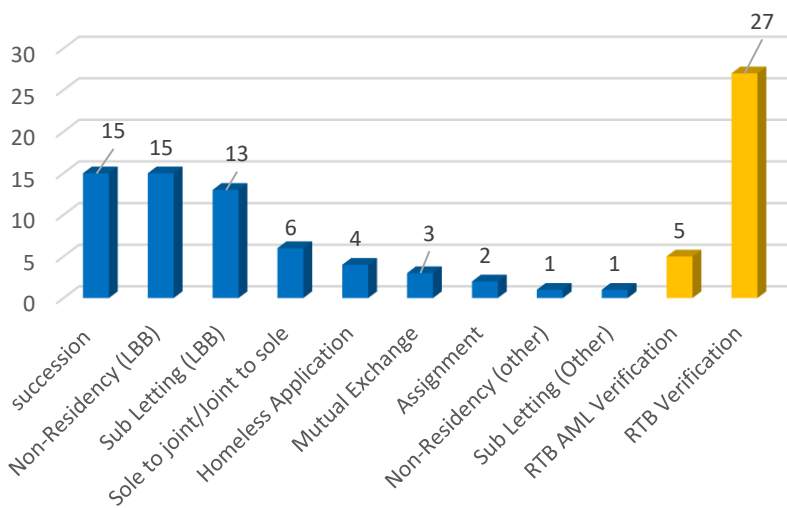
65 New Fraud referrals received in Q2

27 Right to buy applications for verification

87 Cases were closed in Q2

99 on-going investigations

New Fraud Referrals / Verification Requests received in Quarter 2



The majority of new fraud referrals related to properties in the area of Colindale with a total of **12.3%** new cases in that area

Closed cases in Quarter 2

4 Properties Recovered (Keys Returned)

23 Right to Buy Applications Verified

3 Right to Buy Applications cancelled

26 Applications verified

1 Assignment Application denied

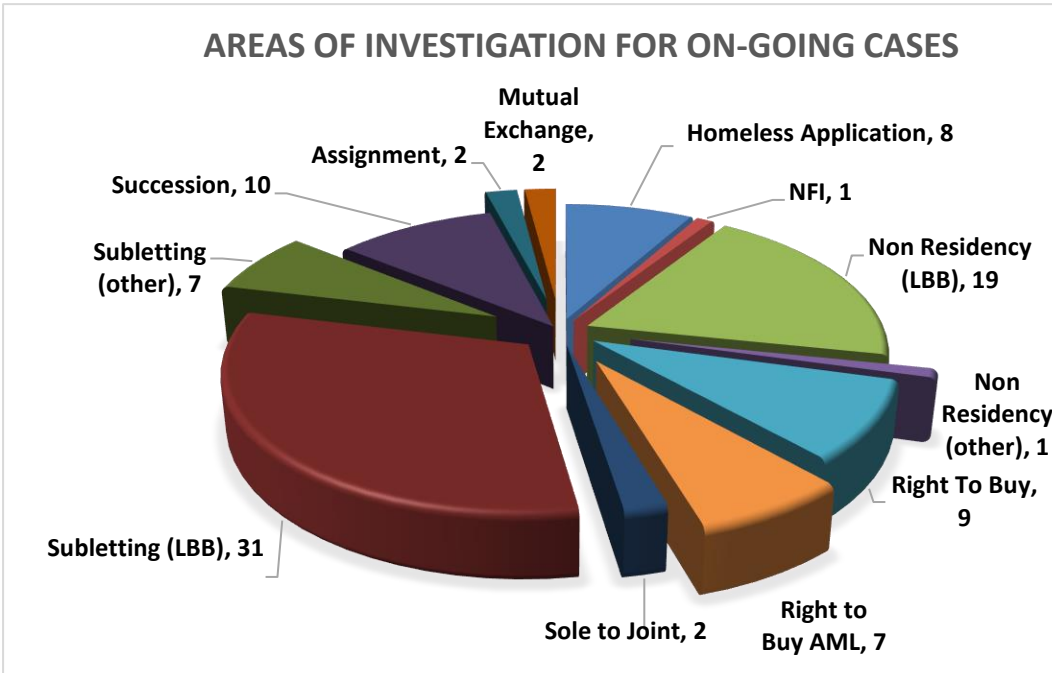
1 RTB AML checks not satisfied

18 No Fraud

10 Insufficient Evidence

1 Referred to DWP

On-going Investigations



- 31 Subletting (LBB)
- 19 Non-residency (LBB)
- 10 Successions
- 9 Right to Buy
- 8 Homeless Applications
- 2 Assignment
- 2 Mutual Exchange
- 7 Subletting (other)
- 7 RTB AML
- 2 Sole to joint tenancy application
- 1 non-residency (other)
- 1 NFI

As a result of CAFT investigations **three** Right to Buy applications were stopped resulting in the properties being retained in council housing stock. Had the purchases been allowed to continue, LB Barnet would have offered a discount of £116,200 on each property. This equates to the authority retaining an asset value of **£348,600.**

4 properties (1 x 1 bed, 2 x 2 bed and 1 x 3 bed) were recovered during Quarter two. This equates to a saving in temporary accommodation costs of **£54,945.**

- 19** Cases are with legal.
- 9** of which are awaiting civil action.
- 2** are for both civil and criminal action.
- 2** prosecution cases for sub-letting.
- 1** prosecution for a false housing application
- 5** possession orders granted by the court awaiting eviction dates.

Noteworthy Tenancy Fraud Cases

Case 1 – Ms B had a two-bedroom flat in East Finchley, a CAFT investigation was started due to a referral received from a Barnet Homes Housing Officer, they had received information from a neighbour of tenant stating she was not resident and was allowing her son to live at the property. The resulting investigation found that the tenant had been living in the Islington area for at least 12 months. The tenant was interviewed under caution where she at first denied the allegation, however when showed the evidence she admitted she had been living with her mother in Islington. There was no evidence of sub-letting, therefore no prospect of a prosecution. The tenant returned the keys, and the property was recovered.

Case 2 – Mr M had a two-bedroom house in Mill Hill. The investigation started due to a succession application received by the London Borough of Barnet. The applicant wished to succeed the tenancy to his father’s property. Evidence obtained following the investigation suggested the applicant was in fact living in Birmingham and not eligible to succeed the tenancy. The applicant was asked to attend an interview under caution, however once disclosure had been given to his solicitor the keys were returned and the property recovered. Prosecution has been considered, however the applicant had stated on the form he lived at both properties and therefore difficult to prove he has made a false representation. With this in mind the recovery of the property was the best outcome.

Case 3 – Ms D had a three-bedroom house in Colindale, an investigation started due to a referral received from a housing officer of Habinteg Housing Association, it was alleged the tenant was no longer living at the social housing property and living with her partner in Stevenage. The following investigation found that the tenant had purchased a property in Stevenage on 27 January 2021 and evidence showed she has been living there for at least the last year. The investigation also showed how the tenant tried to hide the fact she had been living in Stevenage by returning back to the social housing property after she became aware of the investigation. The tenant was interviewed under caution and denied the allegation, however returned the keys and the property was recovered.

Case 4 - Mr H had a one-bedroom flat in Colindale, an investigation started due to a referral received from Barnet Council's Gas Safety Team. They stated despite writing to the tenant and carrying out numerous visits there was never any reply and were unable to gain entry. Therefore, a forced entry took place, the locks were changed and a notice was put on the door for the tenant to contact Barnet Homes to collect the keys, however they had not received any contact from him and the property remained empty. The resulting CAFT investigation found that the tenant was living in Sheffield and had been for 9 months. The tenant was written to at his new address requesting he relinquish the tenancy, he signed and returned a Notice of Termination of Tenancy form and the property was recovered. Prosecution was considered, however due to a number of mitigating circumstances it was felt it was not in the public interest and the recovery of the property was the best outcome.

FINANCIAL INVESTIGATIONS (FI)

A Financial Investigation under the Proceeds of Crime Act 2002 (POCA) ensures that any person(s) subject to a criminal investigation by Barnet do not profit from their criminal actions.

There have been **13** cases dealt with in **Quarter two** of 2022-23 relating to financial investigation

11 cases carried forward from Q1

2 New FI Cases opened in quarter 2

1 FI cases closed in quarter 2

12 on-going FI investigations

New Referrals received in Quarter 2



1 New referral relates to Barnet Planning Enforcement

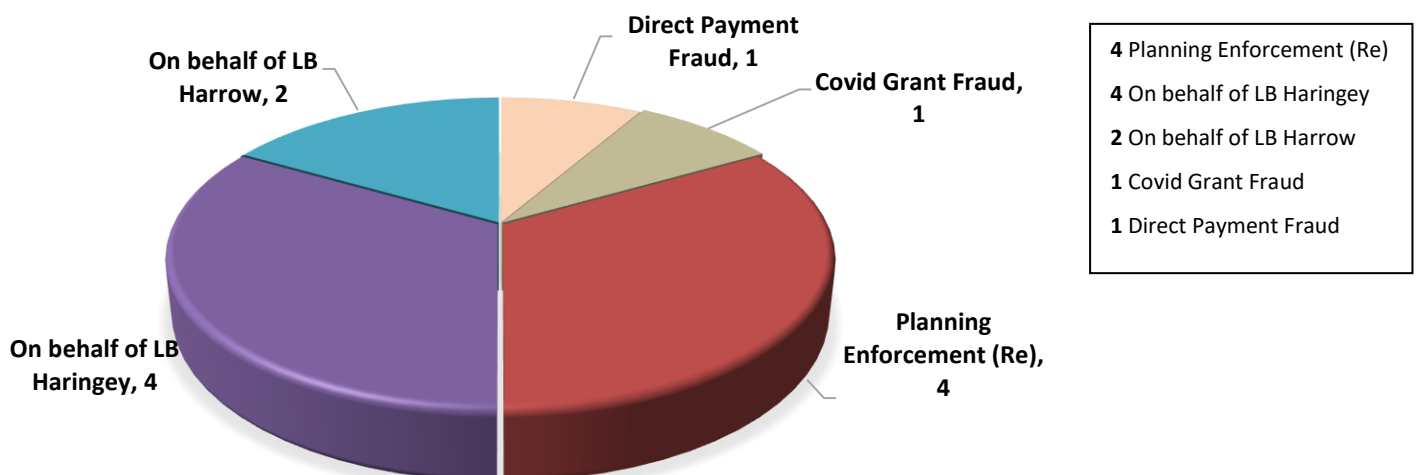
1 New referral relates a corporate investigation into Direct Payment Fraud

Closed cases in quarter two

1 Insufficient Assets

On-going investigations

AREAS OF INVESTIGATION FOR ON-GOING POCA CASES



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London Borough of Barnet

November 2022 – May 2023

Subject	Decision requested	Report of Chief/Lead Officer	Contributing Officer(s)
16 January 2023			
Internal Audit Exception Recommendations and Progress Report Q3 1st October 2022 – 31st December 2022	To note the progress against internal audit recommendations and work Completed to date on the Internal Audit Annual Plan 2022 -23 and high priority recommendations.	Head of Internal Audit	
Corporate Anti-Fraud Team (CAFT) Q3 Progress Report: 1st October 2022 – 31st December 2022	To note the work undertaken by Corporate Anti-Fraud Team (CAFT) during the period 1st October 2022 – 31st December 2022	Executive Director of Assurance	Assistant Director Counter Fraud, Community Safety & Protection
Annual Audit Letter 2020/21	To acknowledge receipt of the Annual Audit letter for 2020/21 and consider if there are any other areas on which Committee require additional information.	Director of Finance (Section 151 Officer)	External Auditors
Grants Certification Work Report 2020/21	To consider the report from the External Auditors on the Council's management arrangements in respect of the certification process for grants.	Executive Director of Resources (Section 151 Officer)	External Auditors
External Audit Plan 2022/23	To consider the External Auditor's Audit strategy for the audit for the year ended 31 March 2023	Director of Finance (Section 151 Officer)	External Auditors

Subject	Decision requested	Report of Chief/Lead Office	Contributing Officer(s)
26 April 2023			
Internal Audit Exception Recommendations and Progress Report Q4 1st January 2023 – 31st March 2023	To note the progress against internal audit recommendations and work Completed to date on the Internal Audit Annual Plan 2022 -23 and high priority recommendations.	Head of Internal Audit	
Corporate Anti-Fraud Team (CAFT) Q4 Progress Report: 1st January 2023 – 31st March 2023	To note the work undertaken by Corporate Anti-Fraud Team (CAFT) during the period 1st January 2023 – 31st March 2023	Executive Director of Assurance	Assistant Director Counter Fraud, Community Safety & Protection
Internal Audit & Anti-Fraud Strategy and Annual Plan 2023-24	To approve the 2023/24 Internal Audit and Corporate Anti-Fraud Team plan	Executive Director of Assurance	Head of Internal Audit Assistant Director Counter Fraud, Community Safety & Protection

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