

# Internal Audit – London Borough of Barnet

Appendix 1



## ***Internal Audit Q4 Progress Report 1 January – 31 March 2019***



*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 2018/19 internal audit plan

1.2.1 We have completed 22 reviews in the quarter and delivered 94% of our 2018/19 internal audit programme for the year, which is slightly below our target of 95% for Q4.

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

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

- **Schools Payroll – No Assurance**

The audit raised five high priority actions, which we have also followed up during Q4. The current status is:

Implemented	3
In Progress – a revised deadline of June 2019 has been agreed	1
In Progress – Internal Audit work ongoing, verbal update to be given to Audit Committee	1

See section 2 for further detail on the audit findings and the actions being taken.

### 1.3 Findings of our Follow Up Work

1.3.1 We have undertaken follow up work on all high priority actions with an implementation date of 31<sup>st</sup> March 2019 or sooner. We have discussed with management the progress made in implementing actions falling due in this period and have sought evidence to support their response. A total of 40 high priority actions have been followed up this quarter:

33 actions have been confirmed as implemented (82%); and

7 have been partially implemented (18%).

Overall, this performance is below the target of 90% being implemented however it is a significant improvement on the performance in Q3, when only 49% of actions were confirmed as implemented.

Until we can be sure the improvement in the implementation of audit actions is sustainable we will maintain the risk rating as 16 against the following risk within the Assurance Group risk register:

AG020 - If audit actions are not implemented this could lead to a deterioration in the council's control environment and result in the Head of Internal Audit providing a Limited Assurance Annual Opinion.

Progress is summarised in Section 4.

#### ***1.4 Recommendations***

- That the Audit Committee notes the progress made against our 2018/19 Internal Audit Programme.

## 2.0 No and Limited Assurance reports issued since the previous meeting

### 2.1 Schools Payroll – No Assurance

February 2019

Since the audit was completed and agreed in February 2019 we have undertaken follow up work to confirm the progress made to date. Of the 5 high priority findings, 3 have been confirmed as implemented as at the end of March 2019. Due to the No Assurance rating a further full risk-based audit of Schools Payroll is planned for Q2 of 2019/20 to provide assurance that these improvements have been embedded.

#### Number of findings by risk rating

Critical	0
High	5
Medium	1
Low	0
Advisory	0

#### Background

Schools are responsible for and manage their own payroll data such as the authorisation and processing of pay changes and overtime.

For Council maintained schools which have bought into CSG's payroll service, central payroll administration processes, for example the input of payroll standing data, closing, reconciliation, pay release processes and the generation of payslips, are undertaken by the CSG Payroll team in Carlisle using the application I-Trent which was implemented effective 1 April 2018. I-Trent, which is accessed via an online web based portal, replaced the previous application, ResourceLink.

The self-service component/module of I-Trent was implemented in June 2018 with schools having the option to provide the July payroll data through the portal or manually as per previous months during the changeover.

#### Summary of Findings

While certain controls were evident we were unable to provide assurance on the overall control environment and the accuracy of payroll elements for Schools Payroll. This is in part due to unresolved outstanding queries and supporting evidence not having been provided several months after first being raised / requested.

The audit identified 5 high risk and 1 medium risk findings.

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

- **Integra/I-Trent upload (High):** CSG Schools Finance confirmed ongoing data quality issues relating to upload of schools' payroll data to Integra. Initially, the schools' payroll data was not provided monthly for use/reconciliation by Schools' Finance teams. There was a delay initially in the upload of the first 5 months of schools' payroll data - from April to August 2018 - which was only uploaded, in one tranche, in October 2018. The payroll data for period 7, October 2018 was delayed as it was only uploaded with the November 2018, period 8, schools' payroll data. December 2018 and January 2018 payroll data was provided on time. Our view is that while the timely provision of payroll data for upload to Integra has now been resolved at the date of the final report, related data quality issues continue to compromise the ability of Schools Finance teams to

review and reconcile pay information promptly and resolve errors effectively. We had not been provided with sufficient evidence of data quality resolution at the date of the final report.

- **I-Trent role access and permissions (High):** There was no evidence of exception reporting to mitigate the risk of fraud which is exacerbated by wide processing access allocated to officers in Carlisle.
- **Remuneration processing (High):** We were unable to provide assurance over the accuracy of certain pay elements and related controls owing to outstanding requests for information. Further information was provided in the week commencing 14/01/2019 however it did not cover all the samples tested across unusual pay, leavers and pay change testing.
- **Payroll exception reporting (High):** To date we have not been provided with evidence of all the exception reporting that we were told is undertaken. Management indicated that at the beginning of the tax year there were issues with exception reporting but that this had now been resolved.
- **BACS payment and reconciliation and HMRC payment (High):** Management indicated that BACS and Payroll reports, for comparison, were available to the teams in Carlisle and Bootle (from where BACS processing occurs). However, we were not provided with evidence of how the Barnet Schools' Payroll reconciled to the BACS file released. Similarly, while evidence of the payment to HMRC was provided, we were unable to assess how this covered all the PAYE due by Barnet Schools.

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

- **Statutory responsibilities - P45 certificates (Medium):** P45 certificates had not been issued in 3/25 of the leaver cases in our sample.

**Appropriate actions were agreed with due dates by the end of March 2019. We have confirmed the status of these actions within the Follow-Ups part of this report, see Section 4. In summary:**

#### **Agreed Action, Due Date and status at 31 March 2019**

##### **1. I-Trent / Integra payroll data upload and upload to the Schools Funding and Finance site on the Intranet**

- a. Any decision to change the policy relating to when the Schools' payroll data will be provided for upload will be taken following the appropriate consideration by the relevant officers.
- b. Such decision will be communicated to all relevant schools.
- c. Errors in the upload of the payroll data to Integra will be investigated and resolved swiftly, including liaison with CSG Schools Finance.

**Target date: 15 March 2019 – IMPLEMENTED**

**2. I-Trent Access and permissions**

- a. Access should be removed to ensure that employees only have the specific access directly relevant to their role for Barnet processing.
- b. Periodic exception reporting should be undertaken to identify, for investigation, processing activity affecting the Barnet schools payroll done by officers not normally responsible for the Barnet Schools payroll in Carlisle and Bootle and particularly to confirm that the same user has not completed a process end to end for setting up an employee.
- c. Audit trails of such exception reporting and investigation, where applicable, will be retained for referral for 10 years.

**Target date: 15 March 2019 – IN PROGRESS, revised deadline of June 2019**

We will follow-up again at the end of Q1 to confirm implementation.

**3. Remuneration processing (Salaries, pay changes, overtime, expenses, sick pay, holiday pay, mileage and maternity pay, leaver processing)**

The relevant evidence and audit trails supporting pay calculations and related independent quality checks will be retained.

**Target date: 15 March 2019 – IMPLEMENTED**

**4. Remuneration processing (Payroll task checklist and exception reporting)**

All payroll exception reporting will be completed. The relevant evidence and audit trails supporting the checklist and exception reporting will be retained.

**Target date: 15 March 2019 - IMPLEMENTED**

**5. BACS and HMRC payment and reconciliation**

- a. The reconciliation of the BACS summary and related Payroll for each month's payment will be retained for referral and provided for May and June 2018.
- b. The reconciliation of the amount of PAYE/NI relevant to the Barnet Schools Payroll will be retained for referral and will be provided for May and June 2018 payrolls.

**Target date: 15 March 2019 – IN PROGRESS**

Internal Audit work ongoing, verbal update to be given to Audit Committee

### 3.0 Progress against plan

The table below represents a summary of the work that we have completed during the quarter or that is currently underway.

\* During Q4 we have continued to test compliance with the processes introduced as a result of the Grant Thornton Review of the Financial Management Relating to CPO Fraud. A summary of the status against the 32 GT actions is included within the Audit Committee papers in the Report of the Director of Finance, agenda item 7. Our work on this has been incorporated into the eight audits marked below with an asterisk. During the quarter we have prioritised confirming the status against the GT actions as opposed to the other scope areas of these reviews.

Stage	Name of review	Report classification	Total findings	Ratings				
				Critical	High	Medium	Low	Advisory
<b>Quarter 4</b>								
Complete	Schools Payroll	No Assurance	6	-	5	1	-	-
Complete	Contract Management - Sport & Physical Activity (SPA)	Reasonable	4	-	-	4	-	-
Complete	Troubled Families - Payment by Results - March Submission (1 of 2)	Claim verified	3	-	-	3	-	-
Complete	Accounts Receivable	Reasonable	2	-	-	1	1	-
Complete	Performance Management Framework compliance	Management letter issued	1	-	-	1	-	-
Complete	Troubled Families - Payment by Results - March Submission (2 of 2)	Claim verified	1	-	-	-	1	-
Complete	Payments Data Analytics and Matching Exercises*	Management letter issued						
Complete	Pensions Admin Follow-Up Phase 2	Partially Implemented						
Complete	Risk Management Framework	Management letter issued						

Draft Report	Re Operational Review follow-up*	Partially Implemented	1	-	1	-	-	-
Draft Report	Disabled Facilities Grant	Reasonable	6	-	-	5	1	-
Draft Report	Housing Benefit	Reasonable	4	-	-	3	1	-
Draft Report	Council Tax	Reasonable	4	-	-	2	2	-
Draft Report	National Non-Domestic Rates (NNDR)	Reasonable	3	-	-	1	2	-
Draft Report	Portfolio and Project Management (IT Management) - Mosaic Note: Incorporates the placeholder review of Mosaic included within the Audit Plan for Q4	Management letter issued						
Draft Report	General Data Protection Requirements (GDPR)	Management letter issued						
Complete	Woodridge School	Reasonable	7	-	-	2	5	-
Complete	Deansbrook Infant School	Reasonable	5	-	-	3	2	-
Complete	Christ Church CE School	Reasonable	3	-	-	2	1	-
Complete	Finchley Catholic High School	Reasonable	7	-	-	4	3	-
Draft Report	Hasmoneon Primary School	TBC						
Draft Report	St. Vincent's Catholic School	TBC						
Fieldwork	Follow-Up of CFO Financial Controls review*	TBC						
Fieldwork	Banking & Payment Arrangements – Accounts Payable	TBC						
Fieldwork	Highways Programme	TBC						
Fieldwork	Pension Fund Finance and Investment	TBC						
Fieldwork	Passenger Transport Service (PTS) Health & Safety	TBC						
Planning	Public Health - compliance with grant conditions	TBC						

Cancelled	Elections Quality Assurance – Advisory							
Deferred	Domestic Violence							
Deferred	Revenue Budget Setting and Monitoring							
Deferred	Treasury Management Note: scope areas that were outside of the Banking & Payment Arrangements review							
Deferred	Banking & Payment Arrangements – Cash & Bank							
<b>Quarter 3</b>								
Complete	Equalities Data Quality and Analysis	Limited	4	-	2	-	2	-
Complete	Integra Access and Program Change Management (“APCM”)*	Reasonable	6	-	1	2	1	2
Complete	Banking & Payment Arrangements – Treasury Management	Reasonable	9	-	1	1	3	4
Complete	S106 & CILS Follow-Up*	Reasonable	3	-	1	1	1	-
Complete	Private Treaty Agreements*	Reasonable	4	-	-	4	-	-
Complete	Highways DLO	Reasonable	5	-	-	4	1	-
Complete	Public Sector Equality Duty (PSED) Compliance	Reasonable	4	-	-	3	1	-
Complete	Troubled Families - Payment by Results – October submission	Claim verified						
Complete	St. John’s School N20	Reasonable	5	-	-	2	3	-
Complete	Menorah Primary School	Reasonable	6	-	-	4	2	-
Complete	Fairway	Reasonable (previous rating: Limited)	5	-	-	4	1	-
Complete	Northside	Reasonable	8	-	-	5	3	-

Complete	Beit Shvidler Primary School	Reasonable	5	-	-	4	1	-
Complete	All Saints' School N20	Substantial	4	-	-	1	3	-
Complete	Garden Suburb Infant School	Substantial	1	-	-	-	1	-
Complete	Our Lady of Lourdes School	Substantial	3	-	-	-	3	-
Complete	Local Authority Bus Subsidy Grant	Claim verified						
<b>Quarter 2</b>								
Complete	Temporary and Interim Workforce	No	15	-	5	5	4	1
Complete	Tudor School	Limited	7	-	1	3	3	-
Complete	All Saints' Primary School NW2	Limited	7	-	2	3	2	-
Complete	St. Andrew's School	Reasonable	6	-	1	2	3	-
Complete	Teachers Pensions – Phase 2	Reasonable	4	-	1	2	1	-
Complete	General Ledger*	Reasonable	6	-	-	5	1	-
Complete	Disabled Persons Freedom Passes	Reasonable	5	-	-	3	1	1
Complete	Business Continuity	Reasonable	3	-	-	2	1	-
Complete	Moss Hall Infant School	Reasonable	7	-	-	5	2	-
Complete	Brookland Junior School	Reasonable	6	-	-	2	4	-
Complete	IT Governance – Strategic Decision Making	Reasonable	6	-	-	5	1	-
Complete	Review of use of the Project Management Toolkit, including consideration of Health and Safety Risks, for six projects	Substantial	3	-	-	1	2	-
Complete	Customer Transformation Programme - Content Management System workstream	Substantial	4	-	-	-	4	-
Complete	Courtland School	Substantial	3	-	-	1	2	-

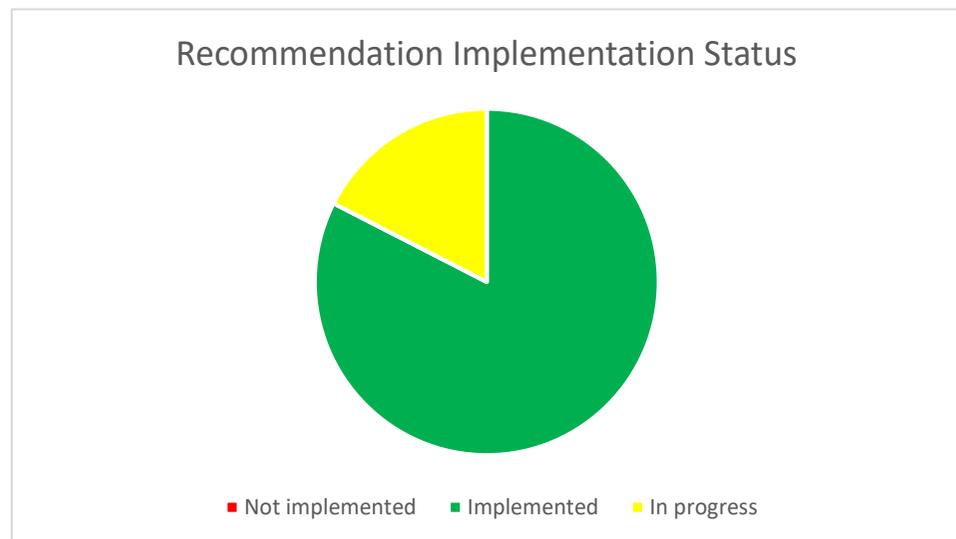
Complete	Local Transport Capital Block Funding (Pothole Action Fund)	Claim verified	-	-	-	-	-	-
Complete	Troubled Families - Payment by Results – July submission	Claim verified	-	-	-	-	-	-
Complete	Troubled Families - Payment by Results – September submission	Claim verified	1	-	-	1	-	-
Combined	Accounts Payable Merged into Banking & Payments Arrangements							
Combined	Cash & Bank Merged into Banking & Payment Arrangements							
Combined	Capital Programme Merged into Follow-Up of CFO Financial Controls review							
Combined	Schemes of Financial Delegation Merged into Follow-Up of CFO Financial Controls review							
<b>Quarter 1</b>								
Complete	Non-Schools Payroll	Limited	11	-	1	8	2	-
Complete	Onboarding	Limited	5	-	1	3	-	1
Complete	Facilities Management	Limited	6	-	2	2	2	-
Complete	Housing Benefit	Reasonable	6	-	1	1	4	-
Complete	Review of new Depot arrangements	Reasonable	6	-	1	1	3	1
Complete	Emergency Planning	Reasonable	6	-	-	5	1	-
Complete	Pardes House School	Reasonable	8	-	-	2	6	-
Complete	St. Agnes Catholic School	Reasonable	7	-	-	2	5	-
Complete	Brookland Infant School	Reasonable	6	-	-	2	4	-

<b>Complete</b>	<b>Teachers Pensions – Statutory returns</b>	<b>Management letter issued (see section 3.0)</b>							
<b>Complete</b>	<b>Income Generation – benchmarking report (Advisory)</b>	<b>Management letter issued</b>							
<b>Complete</b>	<b>Live Unlimited Charity – Financial Controls (Advisory)</b>	<b>Management letter issued</b>							
<b>Complete</b>	<b>Pensions Admin follow-up (Phase 1)</b>	<b>Management letter issued, progress against high priority actions due was reported to Audit Committee in April</b>							
<b>Complete</b>	<b>Troubled Families - Payment by Results – June submission</b>	<b>Claim verified</b>							
<b>Cancelled</b>	<b>Transformation Q1</b> Cancelled as the Transformation portfolio has reduced compared to previous years, therefore one review in Q3 considered sufficient. Outline Business Cases for the Priorities and Spending review will be ready at start of 2019/20, to conduct further reviews of Transformation then	<b>N/A</b>							

## 4.0 Follow Up

### 4.1 Summary

4.1.1 The wheel below demonstrates how many high priority actions due this period have been confirmed as being implemented, in progress or not implemented.



### 4.2 Outstanding actions

4.2.1 During this period we followed up 7 high priority actions due by 31<sup>st</sup> March which were found to be outstanding. These high priority actions are summarised below.

\* 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)

Name of report	Agreed Action	Status (Not Implemented / In Progress)	Owner	Due Date	Slippage*
<p><b>1. Pensions Admin</b></p> <p><b>January 2018</b></p>	<p><b>Scheme data quality</b></p> <p>We will ensure analytical reviews are undertaken over contributions received and reported to ensure movements reported are reasonable and reconciliations will be performed between amounts reported and the general ledger. We will consider if any further assurance is required over the accuracy of contributions received, considering whether sufficient assurance is provided by reviews undertaken by internal audit and external audit both at the Council and employers.</p>	<p><b>In Progress</b></p> <p>Reasonable progress has been made since the audit.</p> <p>In November 2018 robust analytical reviews were not possible based on the level of reporting received from employers at that time. CSG and the Council are working to implement monthly monitoring of contributions by member which will permit meaningful analytical review of contributions as well as identify starters and leavers promptly. This process has been designed but will not be fully operational until the new financial year.</p>	<p>Head of Public Sector Pensions, Capita</p> <p>Head of Business Assurance, CSG Employee Benefits</p>	<p><b>Target date:</b> 30th June 2018</p> <p><b>Revised target date:</b> 31 January 2019</p> <p><b>2<sup>nd</sup> revised target date:</b> 31 May 2019</p>	<p>2</p>
<p><b>2. Equalities data - quality and analysis</b></p> <p><b>November 2018</b></p>	<p><b>Data quality and analysis – staff performance reviews</b></p> <p>CSG HR will ensure that analysis of future performance review outcomes is meaningful. A method statement covering the equalities process for 2018/19 performance reviews will be drafted.</p>	<p><b>In Progress</b></p> <p>Substantial progress has been made since the audit.</p> <p>A paper outlining the appraisal process went to Council Management Team on 5 March 2019. Stage five of the process noted that HR and Finance Business Partners will prepare a report for CMT to consider which will include an Equalities Impact Assessment at a whole Council level and will feed into future equalities planning.</p>	<p>Strategic HR Lead, LBB</p>	<p>Target date: 28 February 2019 i.e. in advance of the 2018/19 performance reviews</p> <p><b>Revised deadline:</b> 30 April 2019</p>	<p>1</p>

A further document (*Performance Management Scheme 2019*) outlines the process for 2018/19 performance reviews.

We noted that the document stated regarding equalities:

- Monitoring will be undertaken at the end of moderation across a range of protected characteristics and compared with the equalities profile at a whole organisational level.
- No data will be used where the numbers are too small to draw any statistical meaning or where doing so would enable individual staff members to be identified.
- Racial characteristics will be aggregated into one group. Human Resources will undertake analysis of the data and produce a series of recommendations for possible consideration by CMT which may then be fed down to future actions outside the moderation process forming part of the Council's future Equality Plan.

The outstanding item is a method statement detailing the analysis which we can expect to be presented to CMT in June. We are expecting to receive a copy of this method statement prior to Audit Committee. A verbal update will be given.

<p><b>3. Equalities data - quality and analysis</b></p> <p><b>November 2018</b></p>	<p><b>Data quality and analysis – mandatory gender pay gap reporting</b></p> <p>LBB HR will seek to amend the data on the public record to reflect the correct median gender pay gap as part of the 2019 reporting cycle.</p>	<p><b>In Progress</b></p> <p>Limited progress has been made.</p> <p>Management confirmed that they have been focussing on improving the quality of the 2018/19 data and ensuring reporting of gender pay gap data in-line with the statutory deadline of 31<sup>st</sup> March. This includes procurement of GapSquare software and ensuring quality assurance processes through compliance with the modified GapSquare checklist and compiling and documenting data reporting standards. This has been completed alongside other priorities for the Strategic HR team such as the Council Management Team restructure and performance reviews.</p> <p>Management confirmed that as such they have not been able to review and amend the 2017/18 data to date; however, this will be completed using the revised processes as per 2018/19 and will be finalised by 15 June 2019.</p>	<p>Strategic HR Lead, LBB</p>	<p>Target date: 31 March 2019</p> <p><b>Revised target date:</b> 15 June 2019</p>	<p>1</p>
<p><b>4. Integra Access and Program Change Management (“APCM”)</b></p> <p><b>December 2018</b></p>	<p><b>Logical access controls – joiners, movers and leavers</b></p> <p>The overall joiners and leavers process will be reviewed, to ensure that all necessary actions are taken upon the joining, moving or leaving the service of employees or contractors. This will be</p>	<p><b>In Progress</b></p> <p>Limited progress has been made.</p> <p>An automated joined up process for starters, movers and leavers implementing the necessary actions in Council systems, including those relating to granting, changing or disabling access in Integra has not yet been developed.</p>	<p>Strategic HR Lead, LBB</p>	<p>Target date: 31 January 2019</p> <p><b>Revised target date:</b> 31 August 2019</p>	<p>1</p>

	aligned with the different departments prior to roll out.	<p>. Following the recent move in-house of Strategic HR, the responsibility for leading on the completion of this action now sits with the Council. This is a critical system change that cannot be easily fixed and is now recognised as a longer-term project that will involve HR, finance and IT. A 'discovery' document around the Starters, Movers and Leavers process has been created which captures the issues to be addressed as part of this project but a timetable or project plan is not yet in place to address the issues that have been identified.</p> <p>Temporary workarounds have been put in place and we have confirmed that these compensating, retrospective controls were operating effectively in Q4 (see section 4.3 Completed Actions below).</p> <p>Although the risk is mitigated by the compensating controls that are now in place these are detective rather than preventative controls.</p>			
<p><b>5. Banking and Payment Arrangements - Treasury</b></p> <p><b>November 2018</b></p>	<p><b>Bankline – access and authorisation</b></p> <p>Management will review the customer user profiles to identify whether permissions across LB Barnet accounts can be simplified to ensure that segregation of duties is as clear as possible.</p>	<p><b>In progress</b></p> <p>The review of roles, allocated users and related underlying privileges has been completed for the Bankline LBB environment and is in progress for Bankline LBB Schools environment. The exercise for schools will be time consuming as it will involve communicating the current Bankline role access and privileges allocated to officer(s) at each school to the relevant authorising officer at the school for their</p>	Head of Treasury	<p>Target date: 31 March 2019</p> <p><b>Revised target date:</b> 31 May 2019</p>	1

		<p>formal confirmation of the Bankline access for their staff.</p> <p>Overall payments/transfers above £1k follow a separate dual (2 approvers) authorisation/approval in Bankline.</p> <p>In addition, we reviewed the process for allocating roles to users in the LBB environment. It was clear that user roles ensured the segregation of duties, so users did not have roles which allowed the initiation/creation (add) and authorisation of payments in line with the overarching payment approval rules. Where users had more than one role (2 Treasury users), a review of the privileges available to each user across their roles showed that the initiating and authorisation of payments was not allowed in line with the overarching payment rules. One role which did allow the initiation and authorisation of a payment was <u>not</u> in use. The authorisation of internal transfers was possible however the 2<sup>nd</sup> approval of transfers was still required in these instances.</p>			
<p><b>6. Schools Payroll</b></p> <p><b>February 2019</b></p>	<p><b>I-Trent Access and permissions</b></p> <p>a. Access should be removed to ensure that employees only have the specific access directly relevant to their role for Barnet processing.</p> <p>b. Periodic exception reporting should be undertaken to identify, for investigation, processing</p>	<p><b>In Progress</b></p> <p>Management confirmed that end to end access will cease by the end of June 2019, with role definitions of superusers changed so that they can provide emergency access from June 2019. A new Payroll Subject Matter Expert from a separate office will receive a separate audit report from June 2019.</p> <p>We will follow-up again at the end of Q1 to confirm implementation.</p>	<p><b>Schools HR and Payroll Business Manager, Capita</b></p>	<p><b>Target date:</b> 15 March 2019</p> <p><b>Revised date:</b> June 2019</p>	<p>1</p>

	<p>activity affecting the Barnet schools payroll done by officers not normally responsible for the Barnet Schools payroll in Carlisle and Bootle and particularly to confirm that the same user has not completed a process end to end for setting up an employee.</p> <p>c. Audit trails of such exception reporting and investigation, where applicable, will be retained for referral for 10 years.</p>				
<p><b>7. Schools Payroll – February 2019</b></p>	<p><b>BACS and HMRC and payment reconciliation</b></p> <p>a. The reconciliation of the BACS summary and related Payroll for each month's payment will be retained for referral and provided for May and June 2018.</p> <p>b. The reconciliation of the amount of PAYE/NI relevant to the Barnet Schools Payroll will be retained for referral and will be provided for May and June 2018 payrolls.</p>	<p><b>In progress</b></p> <p>a) CSG have proposed to implement a reconciliation process effective 1 April Whereby CSG Schools Payroll will provide Council Finance with various schools' payroll month end data, including the <u>BACS file report</u> with the BACS file total and the <u>Payroll Summary Analysis</u> showing the totals of employee pay and amounts due to HMRC for that month. This will allow the Council to reconcile BACS file and HMRC payments to the Payroll Summary Analysis and approve payment before release of payment by Bootle.</p> <p>The proposal was shared with the Director of Finance on 4<sup>th</sup> April and feedback has been provided If agreed this action will move to Implemented; a</p>	<p><b>Schools HR and Payroll Business Manager, Capita</b></p>	<p><b>Target date: 15 March 2019</b></p> <p><b>Revised target date – TBC</b></p>	<p>1</p>

		<p>verbal update will be given to the Audit Committee</p> <p>b) We attempted to match the May and June 2018 payment to HMRC to the May and June 2018 Summary Analysis provided to us for review on 20th March 2019. We were unable to reconcile the figures to the HMRC totals on the May and June Summary Analysis and requested clarification from Schools Payroll on 22<sup>nd</sup> March. A response was provided on 10<sup>th</sup> April which is being reviewed and a verbal update will be given to the Audit Committee.</p>		
--	--	---	--	--

### 4.3 Completed actions

4.3.1 During this period we followed up 33 high priority actions which are deemed to have been implemented, superseded or closed. These are listed below:

Name of report	Agreed Action and Due Date
<p>1. Schools Payroll</p> <p>February 2019</p>	<p><b>Remuneration processing (Salaries, pay changes, overtime, expenses, sick pay, holiday pay, mileage and maternity pay, leaver processing)</b></p> <p>The relevant evidence and audit trails supporting pay calculations and related independent quality checks will be retained.</p> <p><b>Target date: 15 March 2019</b></p>
<p>2. Schools Payroll</p> <p>February 2019</p>	<p><b>Remuneration processing (Payroll task checklist and exception reporting)</b></p> <p>All payroll exception reporting will be completed. The relevant evidence and audit trails supporting the checklist and exception reporting will be retained.</p> <p><b>Target date: 15 March 2019</b></p>

<p><b>3. Schools Payroll</b></p> <p><b>February 2019</b></p>	<p><b>I-Trent / Integra payroll data upload and upload to the Schools Funding and Finance site on the Intranet</b></p> <p>a. Any decision to change the policy relating to when the Schools' payroll data will be provided for upload will be taken following the appropriate consideration by the relevant officers.</p> <p>b. Such decision will be communicated to all relevant schools.</p> <p>c. Errors in the upload of the payroll data to Integra will be investigated and resolved swiftly, including liaison with CSG Schools Finance.</p> <p><b>Target date: 15 March 2019</b></p>
<p><b>4. Community Infrastructure Levy (CIL) and Section 106 (S106) Agreement Follow Ups</b></p> <p><b>January 2019</b></p>	<p><b>Accuracy of CIL calculations, reliefs and discounts</b></p> <p>Management will review the controls presented to the Strategic Planning Operations Board and ensure that there is clarity regarding the checks that will take place including:</p> <ul style="list-style-type: none"> <li>- The number of checks that will take place as part of monthly sampling check;</li> <li>- The nature of the checks – for example checking calculations based on information submitted by the developer and key documentation which verified had been received and is held on file;</li> <li>- Checks that will be performed where the Infrastructure Planning Manager has processed liabilities or reliefs within Exacom;</li> <li>- Checks that surcharges have been correctly applied as per the legislation.</li> <li>- The evidence that will be retained to confirm checks which have taken place; and</li> <li>- The information which will be presented to the CIL and S106 Officers Group.</li> </ul> <p><b>Target Date:</b> 31<sup>st</sup> March</p>
<p><b>5. Integra Access and Program Change Management (“APCM”)</b></p> <p><b>December 2018</b></p>	<p><b>Logical access controls – joiners, movers and leavers</b></p> <p>Within CSG Finance, the following actions will be continued and improved:</p> <ul style="list-style-type: none"> <li>• Upon receipt of leavers or amendment forms, the necessary changes will be made in Integra within 2 working days. Audit trail evidence will be kept. This is now done via E-Forms.</li> </ul>

	<ul style="list-style-type: none"> <li>• On a monthly basis, CSG will continue to verify the leavers lists from HR Barnet and Capita and this will be used to independently check that users have been disabled. Where required, follow up to line management will be undertaken. Audit evidence of this check will be kept.</li> <li>• In addition, the current control where users are locked out automatically after 45 days inactivity will remain in place.</li> </ul> <p><b>Target date:</b> Starting in December 2018</p>
<p><b>6. Integra Access and Program Change Management (“APCM”)</b></p> <p><b>December 2018</b></p>	<p><b>Logical access controls – joiners, movers and leavers</b></p> <p>The "Instruction" tab of the "Integra User Setup Form" template has been updated to reflect the additional requirement where the new user has a financial authority limit in Integra in line with the "Managing Access and Authorisation Rights for IT systems v1.02 " as follows:</p> <p>“If a new user is allocated a financial authority limit which allows them to approve expenditure within the system, the form is required to be approved by an assistant director or above with the additional requirement that the financial authority limit being awarded to a new user must be approved by someone with a higher authority limit.”</p> <p><b>Target date:</b> Starting in December 2018</p>
<p><b>7. Integra Access and Program Change Management (“APCM”)</b></p> <p><b>December 2018</b></p>	<p><b>Logical access controls – joiners, movers and leavers</b></p> <p>All user accounts highlighted during the audit as a potential risk have been deactivated.</p> <p><b>Target date:</b> Starting in December 2018</p>
<p><b>8. Equalities data – quality and analysis</b></p> <p><b>November 2018</b></p>	<p><b>Data quality and analysis – staff performance reviews</b></p> <p>The interim Strategic HR Director will consider whether provision can be made so that employees can voluntarily update via the LBB Employee Self Service Mechanism to ensure that the personal data held by the Council is updated.</p> <p><b>Target date:</b> 31 March 2019</p> <p><b>This action has been superseded</b></p> <p>This is in the context of a number of other actions that have been progressed in the lead up to the insourcing of Strategic HR to the Council on 1<sup>st</sup> April 2019.</p>

	<p>This action is one that needs to be taken forward with those parts of HR that have remained with CSG, of which management, maintenance and upgrades to the Core HR system is one aspect. It is part of a broader HR Improvement piece which will be reviewed by Internal Audit in 2019/20 as part of the planned 'HR Processes post-insourcing' audit.</p>
<p><b>9. Equalities data – quality and analysis</b></p> <p><b>November 2018</b></p>	<p><b>Data quality and analysis – staff performance reviews</b></p> <p>The interim Strategic HR Director will work with the Council's communications team to encourage staff to actively participate in improving their engagement with equalities data.</p> <p><b>Target date:</b> 31 March 2019</p> <p><b>This action has been superseded</b></p> <p>This is in the context of a number of other actions that have been progressed in the lead up to the insourcing of Strategic HR to the Council on 1<sup>st</sup> April 2019.</p> <p>This action is one that needs to be taken forward with those parts of HR that have remained with CSG, of which management, maintenance and upgrades to the Core HR system is one aspect. It is part of a broader HR Improvement piece which will be reviewed by Internal Audit in 2019/20 as part of the planned 'HR Processes post-insourcing' audit.</p>
<p><b>10. Equalities data – quality and analysis</b></p> <p><b>November 2018</b></p>	<p><b>Data quality and analysis – staff performance reviews</b></p> <p>The revised high priority actions from the 2017/18 Performance Reviews audit will be implemented:</p> <ul style="list-style-type: none"> <li>a) 2017/18 performance review source data will be used as dummy data to devise and test an approach to the equalities assessment for the 2018/19 performance review cycle. This will support management to understand the root cause of any issues identified and to put measures in place to ensure the 2018/19 performance review process is fairer and more equitable across all protected characteristic groups and delivery units.</li> </ul> <p>Note: This action has been subsumed into the following Gender Pay Gap action: LBB HR will seek to amend the data on the public record to reflect the correct median gender pay gap as part of the 2019 reporting cycle. Management have confirmed that review of the 2017/18 performance data is still to be completed and this will take place as part of the work to amend the data on public record around the 2018 gender pay gap.</p> <ul style="list-style-type: none"> <li>b) HR training for managers will include training on cognitive bias to support the organisation to meet the requirements of the PSED and ensure that the performance review process is carried out by staff with an awareness of the potential for cognitive bias in the ratings process.</li> </ul>

<p><b>11. Teachers Pensions</b></p> <p><b>November 2018</b></p>	<p><b>Statutory Returns</b></p> <p>Regarding submission of the 2018-19 EOYC, the CFO will be given more detailed progress updates on the completion of TP statutory returns in advance of submission to TP in line with a mutually agreed plan of work, for example, a formal project plan will be agreed for the 2018 / 2019 return.</p> <p><b>Target date:</b> 15 March 2019</p>
<p><b>12. Teachers Pensions</b></p> <p><b>November 2018</b></p>	<p><b>Statutory Returns</b></p> <p>CSG Payroll will develop a complete list of schools who use their own external payroll providers and will ensure that it is kept up to date.</p> <p><b>Target date:</b> 1 November 2018</p> <p><b>Revised date:</b> 31 March 2019</p>
<p><b>13. Teachers Pensions</b></p> <p><b>November 2018</b></p>	<p><b>Statutory Returns</b></p> <p><b>Reconciliation</b> Key responsible officers in Council and CSG Payroll will consider and agree a protocol to ensure that non-CSG Schools which use their own independent payroll providers submit their monthly contribution schedules to CSG in a timely manner.</p> <p><b>Target date:</b> 1 November 2018</p> <p><b>Revised date:</b> 31 March 2019</p>
<p><b>14. Banking &amp; Payment Arrangements – Treasury</b></p> <p><b>November 2018</b></p>	<p><b>Bankline – access and authorisation</b></p> <p>At the point when the duplication of user accounts was identified by Internal Audit, the dormant account was deleted from Bankline, removing the associated risk. No further action is required.</p> <p><b>Target date:</b></p>

	Complete
<b>15. Banking &amp; Payment Arrangements – Treasury</b>  <b>November 2018</b>	<b>Bankline – access and authorisation</b>  CSG will liaise with the bank to verify that there were no instances between 12/08/2016 and 12/06/2017 where non-CHAPS transactions were raised and approved by the two user IDs which belonged to a single user.  <b>Target date:</b> 31 March 2019
<b>16. Banking &amp; Payment Arrangements – Treasury</b>  <b>November 2018</b>	<b>Bankline – access and authorisation</b>  Management will carry out a quarterly Bankline user review across all domains. Any users who have not been active for over 90 days will be contacted to verify whether access is still required. Where this is not the case, or no response is received, users should be removed from the system. The review will also consider whether or not the profiles in place for users remain appropriate to their role.  <b>Target date:</b> 31 March 2019
<b>17. Banking &amp; Payment Arrangements – Treasury</b>  <b>November 2018</b>	<b>Bankline – access and authorisation</b>  Management will consider whether the policy around access management should be more explicit about checks which need to be carried out and documented before unlocking dormant users (e.g. verifying with line managers that access remains appropriate, and/or verifying with payroll that the user remains employed).  <b>Target date:</b> 31 March 2019
<b>18. Banking &amp; Payment Arrangements – Treasury</b>  <b>November 2018</b>	<b>Bankline – access and authorisation</b>  Management will consider whether requests should include details of the system permissions being requested (in line with the schools new user process) in order to ensure that permissions are appropriate to a user's role.

	<p><b>Target date:</b> 31 March 2019</p>
<p><b>19. Banking &amp; Payment Arrangements – Treasury</b></p> <p><b>November 2018</b></p>	<p><b>Bankline – access and authorisation</b></p> <p>The inclusion of numbers of certain types of user within the policy means that the policy becomes outdated whenever a new user is added to Bankline or an existing user is removed. Management will consider whether to remove this detail to ensure that the policy remains accurate and relevant. If the detail is retained in the document, it will be updated to reflect Bankline roles and responsibilities as they currently stand.</p> <p><b>Target date:</b> 31 March 2019</p>
<p><b>20. Banking &amp; Payment Arrangements – Treasury</b></p> <p><b>November 2018</b></p>	<p><b>Bankline – access and authorisation</b></p> <p>Management will ensure that functions within Bankline which aren't in use (e.g. functions relating to bulk lists) aren't available to users, by reviewing role profiles and amending them to those functions which are directly necessary for their roles.</p> <p><b>Target date:</b> 31 March 2019</p>
<p><b>21. Equalities data - quality and analysis</b></p> <p><b>November 2018</b></p>	<p><b>Data quality and analysis – staff performance reviews</b></p> <p>LBB HR will redact future published equalities data relating to groups of fewer than 15 people to ensure that individuals are not identifiable.</p> <p><b>Target date:</b> From now on</p>
<p><b>22. Equalities data - quality and analysis</b></p> <p><b>November 2018</b></p>	<p><b>Data quality and analysis – staff performance reviews</b></p> <p>Where certain protected characteristics are omitted from published equalities data, an explanation will be provided by LBB to explain the omission.</p> <p><b>Target date:</b></p>

<p><b>23. Equalities data - quality and analysis</b></p> <p><b>November 2018</b></p>	<p>From now on</p> <p><b>Data quality and analysis – mandatory gender pay gap reporting</b></p> <p>CSG HR will prepare a procedural note to be followed by the service for the preparation of the gender pay gap reporting in March 2019. This note will reflect national guidance on the calculation.</p> <p><b>Target date:</b> Complete (as asserted by management in Nov 2018)</p>
<p><b>24. Equalities data - quality and analysis</b></p> <p><b>November 2018</b></p>	<p><b>Data quality and analysis – mandatory gender pay gap reporting</b></p> <p>CSG HR will ensure that detailed records are retained to record the approach to calculation and quality checking of the gender pay gap in future years and retain evidence that the national guidance for the calculation has been correctly followed. Similar records will be retained to evidence the calculations performed during the Council's 2018/19 equal pay audit.</p> <p><b>Target date:</b> 31st March 2019</p>
<p><b>25. All Saints' School (NW2)</b></p> <p><b>October 2018</b></p>	<p><b>Contracts</b></p> <p>For procurement exercises, quotes will be obtained and evaluated in line with 'Contract standing order for schools.' Records of quotes and evaluations will be retained for referral and scrutiny. Minutes of meetings will include consideration by governors of quotations for the renewal/procurement of any relevant contract, to ensure that there is clear and visible evidence of a fair and transparent selection process.</p> <p>Signed contracts for services procured will be held by schools for referral where necessary.</p> <p><b>Target date:</b> Autumn term 2018</p>
<p><b>26. All Saints' School (NW2)</b></p> <p><b>October 2018</b></p>	<p><b>Assets</b></p> <p>The Inventory will be updated with reference to the Barnet Schools Financial Guide, section 4.8 (Control of Assets). Annual check will be completed and Governors will approve disposals.</p> <p><b>Target date:</b> Spring term 2019</p>
<p><b>27. Onboarding</b></p> <p><b>June 2018</b></p>	<p><b>New Starter Induction</b></p> <p><b><u>Recruitment and Selection Training:</u></b></p>

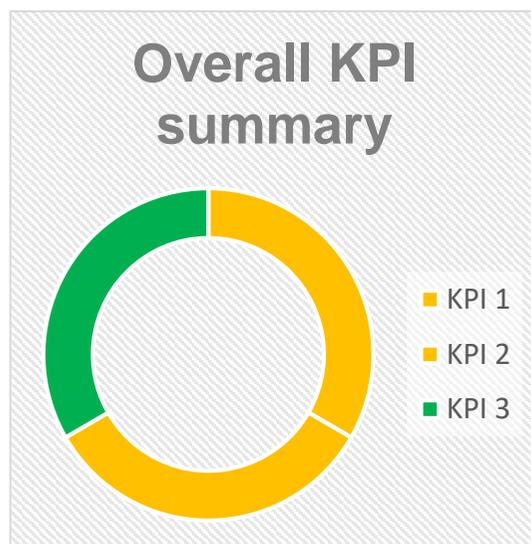
	<p>The Learning and Development Officer will build a segment into the quarterly Managerial recruitment &amp; selection training which specifies that managers are responsible for ensuring that employees attend the corporate induction and should monitor attendance.</p> <p><b>Target Date:</b> 31/07/2018</p> <p><b>Revised date:</b> 30 November 2018</p> <p><b>2<sup>nd</sup> Revised date:</b> 31 March 2019</p>
<p><b>28. Temporary and Interim Workforce</b></p> <p><b>May 2018</b></p>	<p><b>Performance monitoring - assignment extension monitoring and assignment length</b></p> <p>CSG HR will work with management to implement a workflow process within the agency supplier system and ensure that it is not possible to circumvent this process through use of the supplier's helpdesk to raise assignment or extension requests without appropriate approvals. For example, by requiring, where there are emergency assignments raised, formal retrospective approval within the system within 24 hours.</p> <p><b>Target Date:</b> 31 October 2018</p> <p><b>Revised date:</b> 31 March 2019</p>
<p><b>29. S106 and CILS Expenditure</b></p> <p><b>January 2018</b></p>	<p><b>Specific development non-financial obligation tracking and verification</b></p> <p>A protocol will be developed (see action 1a) to clearly document the roles and responsibilities of parties in the monitoring and delivery of obligations, including where delivery is not in-line with the S106 agreement. Records of delivery will be maintained on file.</p> <p><b>Target Date:</b> 30 April 2018</p> <p><b>Revised:</b> 31 October 2018</p> <p><b>2<sup>nd</sup> revised:</b> 28 February 2019</p>
<p><b>30. Pensions Admin</b></p>	<p><b>Scheme data quality</b></p>

<p><b>January 2018</b></p>	<p>We will review the quality of conditional data by 28 February 2018 as per the agreed service improvement plan and will update this data, as agreed with the scheme manager, prior to the triennial review of the fund due as at 31 March 2019.</p> <p><b>Target Dates:</b></p> <p>28th February 2018 (analysis completed)</p> <p>31st March 2019 (data rectification complete)</p>
<p><b>31. Accounts Payable</b></p> <p><b>December 2017</b></p>	<p><b>Potential Duplicate Payments</b></p> <p>Working with relevant stakeholders, including Commissioning Group Finance, CAFT, CSG procurement and delivery units, a data cleanse of Integra vendor data will be performed to ensure that the data is of an appropriate quality to successfully support the automated controls (1) and also the NFI and/or other data matching exercises- including in house exercises.</p> <p><b>Target Date:</b></p> <p>31/7/18</p> <p><b>Revised date:</b></p> <p>30 November 2018</p> <p><b>2nd Revised date:</b></p> <p>31 January 2019</p>
<p><b>32. Regeneration – Benefits Realisation (Brent Cross)</b></p> <p><b>October 2017</b></p>	<p><b>Benefits identification and definition (Brent Cross)</b></p> <p>Management will provide project managers with training on how to fully define project benefits and the level of information they are expected to produce and maintain. This will include ensuring project managers understand:</p> <ul style="list-style-type: none"> <li>• The difference between an output and a benefit and how to fully describe planned benefits / dis-benefits.</li> <li>• How to determine methods of measurement for planned benefits and the source data required.</li> <li>• How to assign owners to specific benefits to ensure they are realised</li> <li>• How to determine baseline measures by which progress of realisation can be measured</li> <li>• How to determine sufficiently detailed targets by which realisation can be measured.</li> </ul> <p>The Council and Re will consider whether this recommendation is applicable to other projects across the Regeneration Programme.</p> <p><b>Target date:</b></p>

	<p>28 February 2018</p> <p><b>Revised:</b></p> <p>31 May 2018</p> <p><b>2nd Revised:</b></p> <p>30 September 2018</p> <p><b>3rd Revised:</b></p> <p>TBC dependent on Brent Cross developments over the coming months</p>
<p><b>33. Regeneration – Benefits Realisation (Brent Cross)</b></p> <p><b>October 2017</b></p>	<p><b>Benefits monitoring, measurement and realisation (Brent Cross)</b></p> <p>As part of the above management will provide project managers with training on how to plan for and fully monitor the realisation of planned benefits, including the level of information they are expected to produce and maintain.</p> <p>The Council and Re will consider whether this recommendation is applicable to other projects across the Regeneration Programme.</p> <p><b>Target date:</b></p> <p>28 February 2018</p> <p><b>Revised:</b></p> <p>31 May 2018</p> <p><b>2nd Revised:</b></p> <p>30 September 2018</p> <p><b>3rd Revised:</b></p> <p>TBC dependent on Brent Cross developments over the coming months</p>

# *Appendices*

## Appendix A: Key performance indicators (KPIs)



Fully Achieved

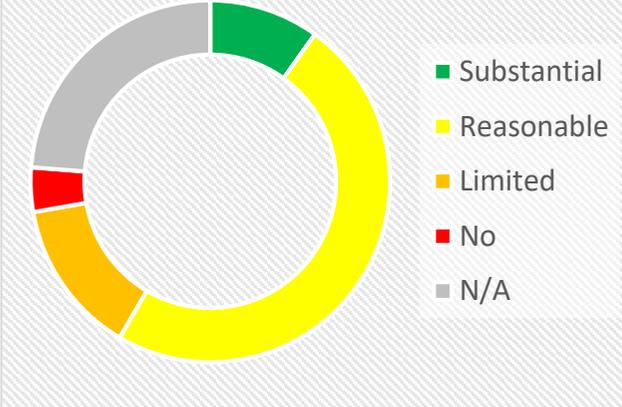
Partially Achieved

Not Achieved



KPI	Target	Results	Comment										
1. % of Plan delivered	95%	94%	<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 show that we have delivered 94% of our plan.</p> <p><b>0-75% = Not Achieved</b> <b>76-94% = Partially Achieved</b> <b>95% = Fully Achieved</b></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%	82%	<p><b>0-49% = Not Achieved</b> <b>50-89% = Partially Achieved</b> <b>90% = Fully Achieved</b></p>										
3. Average customer satisfaction score for year to meet or exceed acceptable level for at least 85% of completed surveys	85%	100%	<p><b>0-49% = Not Achieved</b> <b>50-84% = Partially Achieved</b> <b>85% = Fully Achieved</b></p>										
4. % of reports year to date achieving:	N/A												

# Assurance Ratings



•Substantial	10%
•Reasonable	49%
•Limited	14%
•No Assurance	4%
•N/A	24%