

Internal Audit – London Borough of Barnet

Appendix 1



Internal Audit Q1 Progress Report ***1 April – 30 June 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 2019/20 internal audit plan

1.2.1 We have completed 14 reviews in the quarter and delivered 28% of our 2019/20 internal audit programme for the year, meeting the target for Q1.

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:

- **Hasmoneon Primary School** – Limited Assurance
- **Menorah Foundation School** – Limited Assurance

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 30th June 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 22 high priority actions have been followed up this quarter:

16 actions have been confirmed as implemented (73%); and

6 have been partially implemented (27%).

Overall, this performance is below the target of 90% being implemented and it is a deterioration on the performance in Q4, when 82% of actions were confirmed as implemented.

During 2018/19 the target of 90% was not met in any quarter during the year. In Q4 the performance did improve, with 82% of actions being implemented. However, 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 5.

1.4 Recommendations

- That the Audit Committee notes the progress made against our 2019/20 Internal Audit Programme.

2.0 No and Limited Assurance reports issued since the previous meeting

2.1 Hasmoneon Primary School

May 2019

Number of findings by risk rating

Critical	0
High	1
Medium	5
Low	2
Advisory	0

Background

Hasmonean Primary School is a Voluntary Aided school with 240 pupils on role aged between 3 and 11 years of age. The School budgeted expenditure for 2018/19 is £1,291,481 with employee costs of £994,972 (77% of budgeted expenditure).

The School was assessed as 'Good' by OFSTED in February 2019.

A review of the eleven recommendations reported in the previous audit report dated 31 March 2016 found that three recommendations had been partially repeated (Governance, Contracts, Assets).

Summary of Findings

The audit identified 1 high risk, 5 medium risk and 2 low risk findings.

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

- Banking– The Bank account administered by the Local authority but holding school funds has not been reconciled since March 2018 (Eleven months). (High rated)

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

- Governance– The financial management policy and procedures document should be updated and approved by Governors to include an agreed basis for amounts to be provided from the Governor's fund to reimburse the school account for costs incurred in the provision of Jewish studies, and nursery costs where income is banked to Governor's funds. A B&Q Tradecard is in use in school which operates like a credit card. The school should document and approve controls and procedures for use. (Medium rated);
- Purchasing– Delivery notes should be signed to confirm proof of receipt of goods in school. Where a delivery note is not received, the invoice should be signed to confirm that goods/services have been received and the price charged on the invoice has been agreed to purchase order/agreed quotation prior to being passed for payment authorisation. Regular reimbursements are made to a member of staff for school purchases made on a private credit card. Where amounts are significant, committed expenses should be recorded to ensure accounts are up to date. (Medium rated);

- Payroll– For two employees selected, monthly Gross pay could not be agreed to the Master list of staff containing standard pay and grade details. Monthly monitoring of payroll against budget should be completed and reviewed. One member of staff had not been included on the school Single Central Record. (Medium rated);
- Tax– VAT due on money received for staff meals has not been included on the VAT return. VAT has been claimed on staff reclaimed expenses which is not supported by a valid VAT receipt. (Medium rated).
- Assets– The inventory was not found to be complete. The IT listed on the inventory did not contain sufficient information to comply with the Financial Guide for schools. Annual review was not completed. Governors had not been asked to approve disposal of school whiteboards. (Medium rated)

Appropriate actions were agreed with due dates of immediately (high risk finding) and by the end of the Summer term (medium risk findings). We will follow-up to confirm implementation of the high risk finding and will report back to the next Audit Committee.

2.2 Menorah Foundation School

June 2019

Number of findings by risk rating

Critical	0
High	2
Medium	5
Low	3
Advisory	0

Background

Menorah Foundation School is a Voluntary Aided school with 427 pupils on role aged between 3 and 11 years of age. The School budgeted expenditure for 2019/20 is £3,174,403 with employee costs of £2,533,464 (80% of budgeted expenditure).

The School was assessed as 'Good' by OFSTED in May 2015.

A review of the six recommendations reported in the previous audit report dated February 2016 found that four recommendations had been partially repeated (Governance, Purchasing, Banking, Assets).

Summary of Findings

The audit identified 2 high risk, 5 medium risk and 3 low risk findings.

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

- Banking– The School Business Manager (SBM) who is responsible for the accounts was allowed to make payments from the school Bank account using HSBC online banking with sole authority. At the time of the audit, the SBM indicated that he was allowed to make payments with a limit of up to £5,000 per day. The Financial Guide for schools however states that sole authority by the person responsible for the accounts represents an unacceptable risk and should not be allowed. (High rated);

- Purchasing– There is a lack of evidence of separation of duties. Committed expenses which have not yet been invoiced are not recorded to allow accurate budget monitoring. Invoices should be signed to confirm that goods/services have been received and the price charged on the invoice has been agreed to purchase order/agreed quotation prior to being passed for payment authorisation. A debit card is in use in school. No debit card policy was available to confirm what paperwork should be available to support use of the school debit card. Signed debit card paperwork was not filed, for referral, to confirm school use, support VAT reclaims and to evidence the appropriate authorisation for purchase and payment. (High rated);

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

- Governance– The financial management policy and procedures document should be updated and approved by Governors to include an agreed basis for amounts to be provided from the Governor’s fund to reimburse the school account for 27 members of staff employed on the school payroll, employed to provide teaching in Jewish studies. A debit card policy should be approved and included in the finance policy. A Lettings policy should be approved and included in the finance policy. Rules relating to the office Petty cash should be included in the finance policy. The Notice of Authorised Signatories was last updated in March 2016. There was no up to date document available at the audit to confirm authorised signatories in school. (Medium rated);
- Income– Paperwork was not available at the audit to confirm that the school collected all income due for school meals, and that this was banked, or transferred to the main school budget account from which school meal invoices were paid. The school was unable to provide a trips and journeys income record as required by the Barnet Financial Guide for schools. (Medium rated);
- Banking and Petty Cash– A second Petty cash account is administered by school administrators. There are no written controls or procedures relating to the transactions on this account. (Medium rated)
- Payroll– Although the business manager did have a signed contract detailing the new staff members hour and pay, there was no ‘new staff member form’ signed by the Head Teacher, also recording confirmation of the related week/hours applicable to the role, in regard to entering that staff member onto the payroll. Monthly monitoring of payroll against budget should be completed and reviewed. (Medium rated);
- Assets– The inventory has not been kept up to date. Annual review was not completed. Governors had not been asked to approve disposals. (Medium rated)

Appropriate actions were agreed with due dates of immediately (high risk findings) and by the end of the Summer term (medium risk findings). We will follow-up to confirm implementation of the high risk findings and will report back to the next Audit Committee.

3.0 Management Reviews

3.1 Investing in IT – Lessons Learned (Portfolio and Project Management)

Background

In October 2017 Internal Audit completed an IT Risk Diagnostic Review. This review identified that a high priority area of audit focus was IT Management - Portfolio and Project Management. The indicative scope was to “review IT project and portfolio management methodologies used by the Customer and Support Group (CSG) to ensure that all major projects are successfully delivered to the Council”.

The Council’s Investing in IT Project planned to introduce a new Adult Social Care case management system (Mosaic), which was delivered in partnership with Capita PLC via the CSG contract. The project experienced a number of issues during delivery, which resulted in the project being paused. Following the conclusion of a commercial settlement agreement with Capita*, the Council has resumed delivery of this project with an alternative delivery partner. At the Council’s Policy & Resources Committee on 19th July 2018 a paper was presented on the Adult Social Care case management system. It was agreed that a “lessons learned” exercise would be undertaken by Internal Audit and the findings reported to the Audit Committee.

Council projects are delivered using the Council’s Corporate Project Management Toolkit. The toolkit aims to ensure that the Council is consistently delivering successful projects and programmes, with the overall aim of achieving its corporate priorities. The Toolkit states that lessons learned reviews are to be carried out to look at how a given project is managed (or was managed), with the desired outcome of making improvements to that project if possible and sharing the learning with the rest of the organisation so that it can be utilised in future projects.

* As both parties have agreed a commercial settlement regarding their Dispute over the Investing in IT project, Capita does not endorse or necessarily agree with all of the content in the report.

Action Plan

The Lessons Learned review has culminated in an agreed Action Plan as per the below.

Area	Recommendation	Management Response	Responsible Officer	Target Date
1. IT Project Methodologies and Council Project Management Toolkit Application	<p>Review the project methodologies used by CSG to ensure they align to good practice (such as Prince2) and enable all major IT projects to be successfully delivered to the Council.</p> <p>Clarify which elements of the Council’s Project Management Toolkit will be applicable to future IT projects and ensure that future projects are fully aware of this requirement.</p> <p>Review the Investing in IT lessons identified at Appendix B and consider where applicable to future Council IT projects.</p>	To be picked up as part of governance review for action 2.	Head of IT, Customer Strategy & Programmes	30 th September 2019
2. Council oversight /	Consider the potential options in relation to corporate oversight and assurance over	<u>IT Projects</u>	Head of IT,	30 th June

assurance of department-led projects	department-led projects. In particular, to ensure that appropriate checks and balances are in place and that senior Council officers are made aware of any issues in order to resolve them in a timely manner and ensure departmental projects achieve their required outcomes.	<p>Governance of IT in general is being reviewed and this includes the projects and programmes function as part of this. In April 2019 a new governance structure was presented to the corporate Digital Board which specified a need to strengthen the monitoring of IT projects and programmes at a corporate level, so a specific project group and also a firmer link to the Digital board for escalation has been included within the proposed structure.</p>	Customer Strategy & Programmes	2019
		<p><u>Non-IT Projects</u></p> <p>The arrangements for ensuring that there is an appropriate and proportionate level of corporate oversight and assurance over department-led projects will be considered as part of the broader piece of work that is being undertaken to consider the future role of the corporate centre in ensuring effective cohesion and control across the organisation as a whole</p>	Interim Director Commercial and Director of Finance	30 th September 2019
3. Investing in IT project benefits realisation	Management should consider expanding the 2018 agreed outcomes and more clearly articulating the expected benefits the Council aims to receive from them. This should be in the form of a benefits log, utilising the template available within the Council's Project Management Toolkit, and will enable the project to more clearly demonstrate benefits realisation and justify the investment decisions made on this project.	<p>Work is currently being undertaken to review progress against the programme outcomes and agree more detailed success criteria for programme delivery. As part of this exercise, where relevant, benefits will be identified and captured. There is a quarterly meeting already in place to monitor progress against critical success factors. Later in the programme a more detailed benefits realisation plan will be developed as part of the handover of the system into business as usual.</p>	Head of Performance and Systems (Adults)	30 th September 2019

4.0 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 Q1 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. Our work on this has been incorporated into the 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
Quarter 1								
Complete	Menorah Foundation School	Limited	10	-	2	5	3	-
Complete	Hasmoneon Primary School	Limited	8	-	1	5	2	-
Complete	Disabled Facilities Grant	Reasonable	6	-	-	5	1	-
Complete	Re Operational Review follow-up*	Partially Implemented	1	-	1	-	-	-
Complete	Council Tax	Reasonable	5	-	-	3	2	-
Complete	Housing Benefit	Reasonable	3	-	-	3	-	-
Complete	National Non-Domestic Rates (NNDR)	Reasonable	3	-	-	1	2	-
Complete	Monkfrith School	Reasonable	7	-	-	5	2	-
Complete	St. Vincent's Catholic School	Reasonable	5	-	-	2	3	-
Complete	Blessed Dominic Catholic School	Substantial	4	-	-	1	3	-
Complete	Follow-Up of CFO Financial Controls review*	Partially Implemented	-	-	-	-	-	-
Complete	Investing in IT – Lessons Learned (Portfolio and Project Management)	Management letter issued – summary included in Section 3	3	-	3	-	-	-

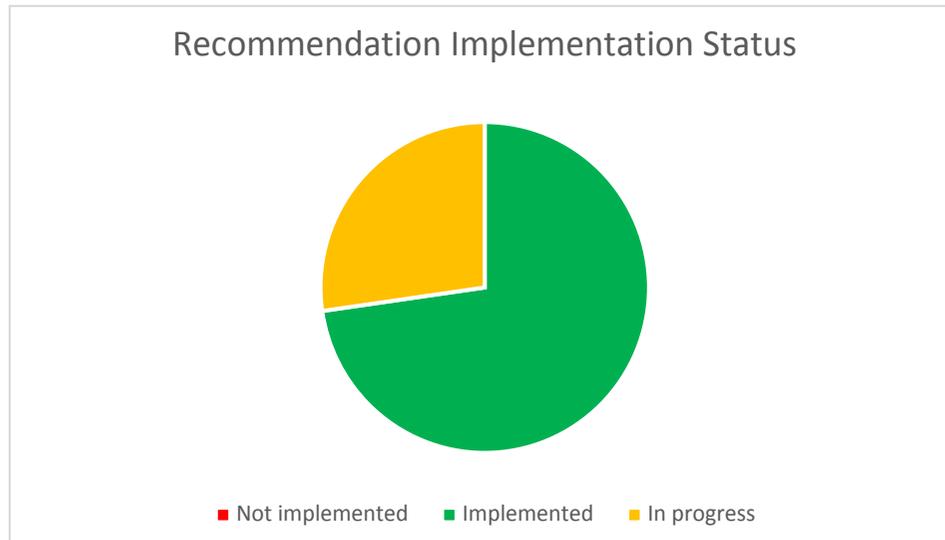
Complete	General Data Protection Requirements (GDPR)	Management letter issued	3	-	-	3	-	-
Complete	Troubled Families – Payment By Results (June submission)	Claim verified	1	-	-	1	-	-
Draft Report	Pension Fund Finance and Investment	TBC						
Draft Report	Brent Cross Cricklewood – Regeneration - Financial Controls	TBC						
Draft Report	Highways Programme	TBC						
Draft Report	St. Michael's Catholic Grammar School	TBC						
Draft Report	St Theresa's Catholic Primary School	TBC						
Draft Report	Martin School	TBC						
Fieldwork	Private Treaty Agreements (PTAs) Follow-Up	TBC						
Fieldwork	Banking & Payment Arrangements – Accounts Payable*	TBC						
Fieldwork	Passenger Transport Service (PTS) Health & Safety	TBC						
Fieldwork	Public Health - compliance with grant conditions	TBC						
Fieldwork	Domestic Violence	TBC						
Fieldwork	Banking & Payment Arrangements - Cash & Bank*	TBC						
Planning	Refuse Collection Added to 2019/20 Plan at May 2019 Audit Committee	TBC						
Planning	Family Services Financial Management	TBC						
Planning	Data Management Procedures (Cyber)	TBC						
Planning	Underhill School	TBC						
Planning	Sunnyfields School	TBC						

Planning	Manorside School	TBC							
Planning	Pavilion PRU	TBC							
Planning	Brookhill Nursery	TBC							
Planning	The Annunciation Infant school	TBC							
Deferred	Revenue Budget Setting and Monitoring Deferred to Q2 as agreed with Deputy Director of Finance	TBC							
Deferred	Accounts Receivable Deferred to Q2 as previous audit only completed in Q4 of 2018/19	TBC							
Deferred	Treasury Management Deferred to Q2 to allow more time since previous visit	TBC							
Deferred	Parking PCN Cancellations Deferred to Q2 as auditor continuing to undertake Banking & Payment Arrangements audit	TBC							
Deferred	Better Care Fund Deferred to Q2 as agreed with the service	TBC							
Deferred	Geographic Information Services (GIS) Advisory review Deferred to Q2 due to auditor secondment to Elections team	TBC							
Deferred	Theme Committee Priorities – Benefits Management Deferred to Q3 as new arrangements went live in Q1	TBC							

5.0 Follow Up

5.1 Summary

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



5.2 Outstanding actions

5.2.1 During this period we followed up 6 high priority actions due by 30th June 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*
Strategic Director: Director of Finance					
1. Pensions Admin January 2018	Analytical review of contributions	In Progress A process was implemented in June	Head of Public Sector	Target date: 30th June	3

	<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>whereby Capita confirm to LBB that contributions have been paid in a timely manner. In order to provide more granular detail for cases outside of the agreed tolerance for analytical review, processes have been revised to include the completion of a contribution slip that will facilitate this.</p> <p>We have seen evidence that the Fund is requiring scheme employers to provide more information via this new 'contribution slip' to allow it to do genuine analytical review. In order to be able to calculate expected contributions and to undertake meaningful analytical review the contributory salary needs to be known – this information will be available via the new contribution slip. At the date of this report, the new contribution slip data had been received for 37 of the 88 employers.</p> <p>In addition to not having the necessary data from all employers, explanations have not yet been provided to LBB by Capita for all variances above the agreed threshold where this data is available. We understand this information will be provided imminently.</p> <p>Council officers held a meeting with Capita Pensions on 3rd July to move these issues forward. A verbal update will be given to the Audit Committee.</p> <p><u>Previous update (to May 2019 Audit Committee):</u></p> <p>Reasonable progress has been made since the audit.</p> <p>In November 2018 robust analytical reviews were not possible based on the</p>	<p>Pensions, Capita</p> <p>Head of Business Assurance, CSG Employee Benefits</p>	<p>2018</p> <p>Revised target date: 31 January 2019</p> <p>2nd revised target date: 31 May 2019</p> <p>3rd revised target date: 31 July 2019</p>	
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		<p>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>2. Banking and Payment Arrangements - Treasury</p> <p>November 2018</p>	<p>Bankline – access and authorisation</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>In Progress</p> <p>Limited progress has been made since the last Audit Committee due to a key member of staff being on long-term sick leave.</p> <p>Further action required for full implementation:</p> <p>The review of roles, allocated users and related underlying privileges for Bankline LBB Schools users needs to be completed.</p> <p><u>Previous update (to May 2019 Audit Committee):</u></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 formal confirmation of the Bankline access for their staff.</p>	<p>Head of Treasury, LBB</p>	<p>Target date: 31 March 2019</p> <p>Revised target date: 31 May 2019</p> <p>2nd Revised target date: 30 September 2019</p>	<p>2</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 2nd approval of transfers was still required in these instances.</p>			
Strategic Director: Deputy Chief Executive					
<p>3. Equalities data - quality and analysis</p> <p>November 2018</p>	<p>Data quality and analysis – staff performance reviews</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>In Progress</p> <p>Last quarter (Q4, 2018/19) we noted that substantial progress had been made against this action since the audit but that a method statement detailing the analysis needed to be prepared which we could expect to be presented to strategic directors in June 2019</p> <p>Management confirmed that the method statement has yet to be prepared as the outcomes of the 2018/19 Employee Performance Reviews are now not due to be</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>Revised deadline: 30 April 2019</p>	<p>2</p>

presented to strategic directors until August 2019 and a number of other tasks, including the move to Colindale, the European elections and the recent Ofsted visit, have taken higher priority at this time.

Further action required for full implementation: A method statement detailing the analysis will be prepared and presented to strategic directors in August 2019.

Previous update (to May 2019 Audit Committee):

Substantial progress has been made since the audit.

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 strategic directors to consider which will include an Equalities Impact Assessment at a whole Council level and will feed into future equalities planning.

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

2nd Revised deadline:

31 August 2019

		<p>with the equalities profile at a whole organisational level.</p> <ul style="list-style-type: none"> - 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 strategic directors which may then be fed down to future actions outside the moderation process forming part of the Council's future Equality Plan. <p>The outstanding item is a method statement detailing the analysis which we can expect to be presented to strategic directors in June. We are expecting to receive a copy of this method statement prior to Audit Committee. A verbal update will be given.</p>			
<p>4. Equalities data - quality and analysis</p> <p>November 2018</p>	<p>Data quality and analysis – mandatory gender pay gap reporting</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>In Progress</p> <p>Limited progress has been made due to a number of other priorities within the Strategic HR Team such as Council Management Team restructure, performance reviews and transfer of the Strategic HR function from CSG to LBB.</p> <p>Management confirmed that they have</p>	<p>Strategic HR Lead, LBB</p>	<p>Target date: 31 March 2019</p> <p>Revised target date: 15 June 2019</p> <p>2nd Revised target date:</p>	<p>2</p>

		<p>not been able to review and amend the 2017/18 data to date; however, this will be completed using the revised process (as per 2018/19) and this will be complete by 30 September 2019.</p> <p><u>Previous update (to May 2019 Audit Committee):</u></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 31st 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>		30 September 2019	
<p>5. Schools Payroll</p> <p>February 2019</p>	<p>I-Trent Access and permissions</p> <p>a. Access should be removed to ensure that employees only have the</p>	<p>In Progress</p> <p>Evidence was provided confirming that Payroll Administrators responsible for Barnet Schools Payroll only had Payroll Administrator role profile/user access in the payroll system, I-Trent. Similarly,</p>	<p>Schools HR and Payroll Business Manager, Capita</p>	<p>Target date: 15 March 2019</p> <p>Revised</p>	2

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.

the HR administrator only had HR Administrator access. The separation of the Payroll and HR administrator role profiles in this manner was in line with our expectations. CSG Schools Payroll Management indicated that the relevant employees were the only officers who were able to process the Barnet Schools Payroll.

As part of our review, we raised queries on the various permissions/functions allocated to the above role profiles in I-Trent and the role profile/access provided to officers at a more senior level (team leaders and the Business Manager) to assess whether the segregation of duties had been embedded so that one officer would not be able to create a new starter, end to end, in the system. CSG Schools Payroll Management have indicated to us that the Business Manager did not have the access to process in I-Trent any longer. Previous I-Trent access provided to the Business Manager had now been removed.

While changes have been made to improve I-Trent access, at the date of this report we raised further queries to assure ourselves that the access designed in I-Trent is sufficiently secure. A verbal update will be given at the Audit Committee.

I-Trent system reporting, to detect instances where new starters had been created in the system by one officer only, had not been provided to us for review at the date of this report. Such detective reporting controls could be used as an alternative to restricting

date:
June 2019

2nd Revised date: 31 July 2019

		<p>access in the system which would be a preventative control.</p> <p>Further action:</p> <p>CSG to provide responses to the most recent Internal Audit queries and to take the appropriate action to ensure that segregation of duties is embedded in operation where necessary.</p> <p><u>Previous update (to May 2019 Audit Committee):</u></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>6. Onboarding</p> <p>June 2018</p>	<p>New Starter Induction</p> <p><u>Welcome Site Pack:</u></p> <p>LBB will agree a protocol in conjunction with CSG for ensuring that new employees are made aware of the relevant Site Welcome Pack (created and managed by CSG Estates- Facilities Management) when</p>	<p><u>In Progress</u></p> <p>The recruitment system, Vacancy Filler, directs new starters to a web-based Employee Information Pack however not the Site Welcome Pack, specifically not the Colindale Site Welcome Pack which is now available for staff.</p> <p>We tested a sample of 5 recent new starters who should have received the Site Welcome Pack. We received responses for 2 who confirmed that</p>	<p>Responsible officer:</p> <p>Strategic HR Lead, LBB</p> <p>Head of Estates, LBB, TW3 Place Workstream Lead</p>	<p>Target Date:</p> <p>31/07/2018</p> <p>Revised date: 30 November 2018</p> <p>2nd Revised date: 31 May 2019</p> <p>3rd Revised date: 31 July</p>	<p>3</p>

	<p>commencing employment with the Council</p> <p>with their the</p>	<p>they had not received it.</p> <p>The responsible HR leads in the Council and CSG are aware of the cause of the problem and have taken action to resolve it so that all new starters will automatically be directed to the Colindale Site Welcome pack in future.</p> <p>Further action: The Vacancy Filler link provided to all new starters to direct them to key Council information will also include the Colindale Site Welcome Pack.</p> <p><u>Previous update (to May 2019 Audit Committee):</u></p> <p>A link to the Welcome Pack is sent by Belfast to all new starters as part of the new starter process that they manage.</p> <p>In addition, the site welcome pack is being reviewed in light of the move to Colindale. This work is being taken forward by the TW3 Programme working with the Place workstream and supported by the People workstream. It is anticipated that the new Welcome Pack will be completed by the beginning of May 2019.</p>		2019	
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5.3 Completed actions

5.3.1 During this period we followed up 16 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. Pensions Administration</p> <p>January 2018</p>	<p>Scheme data quality</p> <p>We will create a checklist which will be used to evidence the review of end of year returns. These checks will include reviewing whether data is provided for all active member records.</p> <p>Target date: 30th April 2018 Revised target date: 30th April 2019</p>
<p>2. Temporary and Interim Workforce</p> <p>May 2018</p>	<p>Performance information and roles & responsibilities</p> <p>LBB HR, CSG HR and CSG Procurement Management will, working together, assess what performance information is necessary to fully monitor the agency contract and support agency spend reduction measures. This review will be used as the basis for defining performance reporting requirements for the new agency staff contract which commences 1 October 2018.</p> <p>Target date: 31 October 2018 Revised target date: June 2019</p>
<p>3. Temporary and Interim Workforce</p> <p>May 2018</p>	<p>Performance monitoring - assignment extension monitoring and assignment length</p> <p>The Council will create a policy on temporary workers, which will include limits on initial assignment length and a workflow for assignment approvals and extension approvals to ensure that inappropriate assignments and extensions can be challenged in a timely manner.</p> <p>Target date: 31 October 2018 Revised date: 1 May 2019</p>
<p>4. Temporary and Interim Workforce</p> <p>May 2018</p>	<p>Performance monitoring - assignment extension monitoring and assignment length</p> <p>The policy and its requirements, along with details of any amended workflows within the agency supplier system, will be clearly documented in process notes and an end-to-end process map.</p> <p>Target date: 31 October 2018 Revised date: 1 May 2019</p>

<p>5. Temporary and Interim Workforce</p> <p>May 2018</p>	<p>Performance monitoring - assignment extension monitoring and assignment length</p> <p>The policy and process notes will be communicated to all hiring managers and any required training will be provided.</p> <p>Target date: 31 October 2018 Revised date: 1 May 2019 2nd Revised date: 31 July 2019</p>
<p>6. Temporary and Interim Workforce</p> <p>May 2018</p>	<p>Performance monitoring – DBS clearance</p> <p>CSG HR Business Partners will ensure that the recruiting officer clearly states DBS requirements in job descriptions so that only staff who will provide evidence of DBS clearance are hired.</p> <p>Target date: 31 October 2018 Revised date: 1 May 2019</p>
<p>7. Temporary and Interim Workforce</p> <p>May 2018</p>	<p>Performance monitoring – DBS clearance</p> <p>This evidence will be retained centrally within the agency staff management system to support review of the operation of the control.</p> <p>Target date: 31 October 2018 Revised date: 30 April 2019</p>
<p>8. Temporary and Interim Workforce</p> <p>May 2018</p>	<p>Performance monitoring – DBS clearance</p> <p>CSG HR will review all generic role profiles within the supplier system on an annual basis to ensure that roles which give employees access to vulnerable individuals require appropriate clearances.</p> <p>Target date: 30 September 2018 then annually by 30 September thereafter Revised date: 1 May 2019</p>
<p>9. Temporary and Interim Workforce</p>	<p>Performance monitoring – DBS clearance</p>

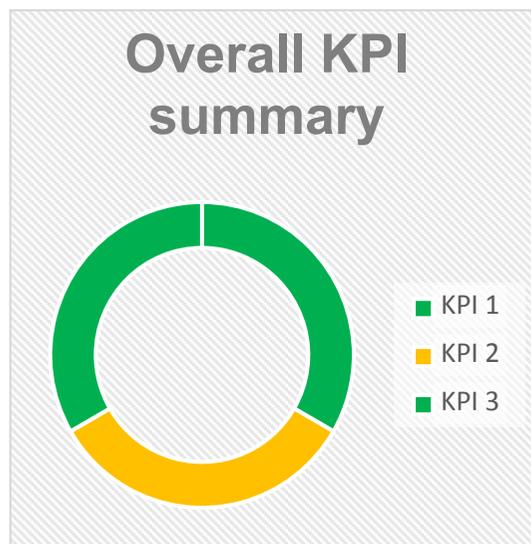
<p>May 2018</p>	<p>LBB HR will ask the supplier to ensure that it is not possible to fill these roles without adding relevant information (including DBS numbers) into the system.</p> <p>Target date: Complete (as asserted by management at the time of the audit)</p> <p>Revised date: 30 April 2019</p>
<p>10. Temporary and Interim Workforce</p> <p>May 2018</p>	<p>Performance monitoring – DBS clearance</p> <p>LBB HR will investigate whether it is possible to require verification of DBS numbers directly with the DBS Update Service as part of the new agency supplier contract.</p> <p>Target date: 31 October 2018</p> <p>Revised date: 30 June 2019</p>
<p>11. Temporary and Interim Workforce</p> <p>May 2018</p>	<p>Performance monitoring – Supplier compliance audits</p> <p>Management will request evidence of the six-monthly agency audit and any actions taken by the supplier as a result (e.g. agency suspension). Any issues arising from agency audits will be escalated by CSG procurement to CSG HR and LBB HR.</p> <p>Target date: 31 October 2018 for mobilisation; 31 December 2018 for quarterly contract monitoring meeting agenda</p> <p>Revised date: 30 April 2019</p>
<p>12. Temporary and Interim Workforce</p> <p>May 2018</p>	<p>Performance monitoring – Supplier compliance audits</p> <p>The agency staff policy will outline preventative and detective controls around the compliance of agency staff with statutory requirements, including details of who is responsible for the operation of these controls.</p> <p>Target date: 31 October 2018</p> <p>Revised date: 30 April 2019</p>
<p>13. Review of Depot Arrangements</p> <p>June 2018</p>	<p>Vehicle inspection checks</p> <p>d) Vehicle inspection checks on refuse vehicles will be undertaken daily and will also cover all trade waste crews each week. The inspection sheets will confirm the correct position of the cameras on the vehicles.</p>

	<p>Target date: 1 July 2018</p> <p>1st Revised date: 31 December 2018 2nd Revised date: 30 April 2019</p>
<p>14. Equalities data - quality and analysis</p> <p>November 2018</p>	<p>Data quality and analysis – mandatory gender pay gap reporting</p> <p>Where data issues are identified during the calculations and quality checking of those calculations, CSG HR will retain evidence of any investigation carried out and the outcome of that investigation.</p> <p>Target date: 30 June 2019</p>
<p>15. Community Infrastructure Levy (CIL) and Section 106 (S106) Agreement Follow Ups</p> <p>January 2019</p>	<p>Accuracy of CIL calculations, reliefs and discounts</p> <p>Checks of CIL liabilities and reliefs will occur in line with the above.</p> <p>Target date: From 1 April 2019</p>
<p>16. Schools Payroll</p> <p>February 2019</p>	<p>BACS and HMRC payment and reconciliation</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>Target date: 15 March 2019</p> <p>Revised target date – 31 May 2019</p>

Appendices



Appendix A: Key performance indicators (KPIs)



Fully Achieved

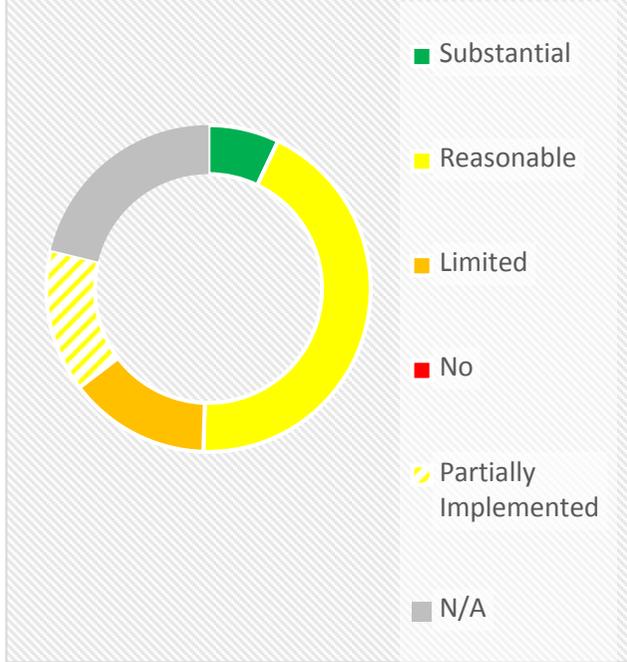
Partially Achieved

Not Achieved



KPI	Target	Results	Comment										
1. % of Plan delivered	27%	28%	<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 27% of our plan.</p> <p>0-13% = Not Achieved 14-26% = Partially Achieved 27% = 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%	73%	<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>										
4. % of reports year to date achieving:	N/A												

Assurance Ratings



•Substantial	7%	
•Reasonable	43%	
•Limited	14%	
•No Assurance	0%	
•Partially Implemented	14%	
•N/A	21%	