

Internal Audit – London Borough of Barnet

Appendix 1



Internal Audit Q4 Progress Report 1 January – 31 March 2020



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.

1.1.2 Due to COVID-19 the 29th April Audit Committee meeting was cancelled. This report is therefore being presented to the virtual Audit Committee meeting on 14th July.

1.2 Progress against the 2019/20 internal audit plan

1.2.1 During March 2020 planned internal audit work was impacted by the Council's response to the COVID-19 crisis. The internal audit team prioritised responding to requests for advice and support and issued guidance on Interim Control Arrangements for the COVID19 Pandemic Period. Internal Audits that were underway in Q4 were delayed due to a number of factors: across the council service sand officers being unable to support the audits, Internal Audit staff being redeployed to support the COVID-19 response and staff displaying COVID-19 symptoms. The outstanding audit work, which is at varying stages of completion, will be undertaken at the earliest opportunity, bearing in mind the competing priorities faced by the Council and its partners. The revised 2020/21 Internal Audit plan incorporates the completion of the audit work that was underway as part of delivering the 2019/20 Internal Audit plan.

1.2.2 We have completed 12 reviews in the quarter and delivered 89% of our 2019/20 internal audit programme for the year, which is below the 95% target for Q4. Earlier in the year delivery was affected due to the restructure within the Internal Audit team and having two vacant posts, one of which was filled in August and the other in September. Embedding new staff and allowing for training and induction impacted upon delivery of the plan over that period. More recently, delivery has been adversely impacted by the competing priorities posed by the COVID-19 response.

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

1.2.3 In line with our reporting protocol with the Audit Committee we present any no assurance or limited assurance reports for discussion. In Q4 we issued no reports of this kind.

1.3 Findings of our Follow Up Work

1.3.1 At the beginning of Q4 we started to follow up work on **high priority actions** with an implementation date of 31st March 2020 or sooner. We began discussions with management on the progress made in implementing actions falling due in this period and began to seek evidence to support their response. A total of 10 high priority actions should have been followed up this quarter.

However, due to the COVID-19 response we were unable to reach a conclusion on 7 of those actions during Q4, either due to staff being unable to respond to us or due to Internal Audit staff redeployment meaning that audit work that had commenced could not be completed.

Therefore, this quarter we have reported merely the number of actions we have been able to conclude have been implemented. The other actions will be concluded upon as soon as is practicable; this work will now be undertaken as part of the 2020/21 Internal Audit plan. We will discuss with individual services where previously agreed deadlines may need to be extended to allow services to resume 'business as usual' activity post the COVID-19 response.

3 actions have been confirmed as implemented.

High priority actions: Follow-up Summary	Total	Audit work completed and confirmed as Implemented
Total Number of Actions	10	3

1.3.2 As agreed at the Audit Committee in October, in Q3 we introduced a new approach whereby we also follow-up a sample of medium priority actions to confirm implementation.

A total of 55 medium priority actions should have been followed up this quarter:

- 17 actions have been confirmed as implemented.
- 38 are yet to be concluded upon. This work will now be undertaken as part of the 2020/21 Internal Audit plan.

Medium priority actions: Follow-up Summary	Total	Audit work completed and confirmed as Implemented
Total Number of Actions	55	17

1.3.3 The Assurance Group risk register includes the following risk, which has been updated to reflect the COVID-19 response and the fact that various interim controls have been introduced across the Council. There is also limited capacity across services at the current time to implement previously raised internal audit actions:

AG020 - If audit advice and / or agreed actions are not implemented, or temporary interim controls during COVID-19 are not adapted once 'business as usual' resumes, 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.

Until we have clear confirmation that the implementation of audit actions is at an appropriate level and that this is sustainable we will continue to maintain the risk rating as 16 against the risk within the Assurance Group risk register.

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

1.4 Other Matters

1.4.1 Grant Thornton Review of the Financial Management Relating to Compulsory Purchase Order (CPO) Fraud

During Q4, we have continued to monitor progress against the remaining 'GT actions'.

A summary of the status / work completed in Q4 is below:

GT ref	GT finding	Status
GT4	Managing access and authorisation rights on IT systems	<p>In Progress</p> <p>The actions being taken to address this finding are part of the wider Starters, Leavers and Movers (SLaM) project which is underway as part of HR Transformation.</p> <p>The timeline for delivery of this project has been adversely affected due to competing priorities in response to the COVID-19 situation.</p>
GT20	Capital Budget Review	<p>In Progress</p> <p>As at the end of Q4 the work within finance to address these actions was on hold until 'business as usual' resumes after the current phase of COVID-19 response work.</p> <p>As part of the Council's 'recovery' work, the finance team have stated they are reviewing capital monitoring and improving on it to set the standard for 2020/21. This includes work to embed the leadership for capital forecast in the business partner teams, which has been developed in month 2 reporting and should be largely in place for month 3 (Q1). Training is being developed alongside this.</p> <p>The status at the end of Q3 is documented below:</p> <p>Agreed Action 1: Capital budget monitoring training will be developed for budget managers. Budget Managers will complete/attend related training where assessed as necessary: Partly Implemented</p> <p>Agreed Actions 2 and 3: Implemented</p> <p>Agreed Action 4: FBPs will consider the ratio of actual to forecast and the remaining periods to year end as part of their challenge of budget manager forecasts: Partly Implemented</p>

		Agreed Action 5: The capital budget monitoring training referred to above will include raising awareness of the detrimental impact of forecasting to budget for capital e.g. due to the borrowing costs associated with funding the capital programme: Not Implemented
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We will continue to report progress against the two outstanding actions, GT4 and GT20, to future meetings of the Audit Committee.

1.4.2 Cross Council Assurance Service (CCAS) procurement

Since 2014, Barnet Council have been in contract with Pricewaterhouse Coopers (PwC) to provide internal audit, assurance, and advisory services under a framework contract between Islington Council and PwC known as the Cross-Council Assurance Service (CCAS). The original framework contract ran for four years until August 2018 and on 26 June 2018, the Council agreed to extend the contract with PwC to expire with no option to renew on 31 March 2020.

To ensure that the Council was able to continue to provide effective audit, advisory, risk management and anti-fraud services beyond 31 March 2020, on 19 June 2019 the Policy and Resources Committee authorised Barnet officers to lead on the procurement of a new provider or providers for the CCAS and thereafter set up a framework with the chosen provider or providers to commence by 1 April 2020.

We worked collaboratively with the following authorities to agree the specification, conduct the procurement, and undertake the evaluation of tender submissions.

- Barking and Dagenham
- Enfield
- Hammersmith and Fulham
- Kensington and Chelsea
- Lambeth
- Waltham Forest
- Westminster

Following the completion of a procurement exercise and the evaluation of tender submissions, a framework agreement has been set up with the chosen providers, **PwC** to deliver **Internal Audit, Advisory and Anti-Fraud services services (Lots 1, 2 and 4)** and **Mazars** to deliver **Risk Management services (Lot 3)** from 1 April 2020 for four (4) years until 31 March 2024 with the option to extend for a further two (2) periods of up to one year each (4+1+1 years) subject to budget constraints and performance.

The Framework has been devised to facilitate use by other authorities. The maximum expenditure across the framework, as per the OJEU notice, is £50 million over the term of the contract. As the contract manager, Barnet will charge the providers (PwC and Mazars) a 1% contract management fee based on all invoiced amounts going through the Framework over the term of the contract.

1.5 Recommendations

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

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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. Our work on this has been incorporated into the audits marked below with an asterisk.

Stage	Name of review	Report classification	Total findings	Ratings				
				Critical	High	Medium	Low	Advisory
Quarter 4								
Complete	Revenue Budget Setting and Monitoring	Reasonable	4	-	-	4	-	-
Complete	Capital Budget Monitoring*	Partially Implemented (see section 1.4, GT20 status)	-	-	-	-	-	-
Complete	Accounts Payable Follow-Up*	Partially Implemented (see section 4.0)	-	-	-	-	-	-
Complete	Treasury Management	Substantial	2	-	-	1	1	-
Complete	Family Services Financial Management	Management letter issued	2	-	-	-	2	-

Complete	General Data Protection Regulations (GDPR) compliance	Management letter issued						
Complete	Troubled Families - Payment by Results (January submission)	Claim verified						
Complete	St Mary's (EN4) School	Reasonable	5	-	1	2	2	-
Complete	St Catherine's School	Reasonable	5	-	-	4	1	-
Complete	Foulds School	Reasonable	4	-	-	3	1	-
Complete	Annunciation Junior School	Reasonable	6	-	-	4	2	-
Complete	Holly Park School	Reasonable	7			4	3	
<p>Note: Due to COVID-19 all ongoing internal audit activity i.e. completion of fieldwork and agreement of draft reports was effectively on hold during March and April 2020. It will now be taken forward as part of the 2020/21 Internal Audit plan in a phased manner as individual services start to move towards 'business as usual'.</p>								
Draft Report	IT - Cost Infrastructure	TBC						
Draft Report	18-25 Service Budget Monitoring	TBC						
Draft Report	Schools Payroll	TBC						
Draft Report	Teachers' Pensions	TBC						
Draft Report	Non-Schools Payroll	TBC						
Draft Report	Pension administration follow-up	TBC						
Draft Report	Cambridge Education Assurance Mapping	TBC						
Draft Report	Trent School	TBC						
Draft Report	Akiva School	TBC						

Draft Report	Osidge School	TBC						
Draft Report	St Paul's CE NW7	TBC						
Fieldwork	Adults restructure - Strategic risk around Safeguarding	TBC						
Fieldwork	Regulation of Investigatory Powers Act (RIPA) – follow-up of action plan	TBC						
Fieldwork	HR Processes (post insourcing)	TBC						
Fieldwork	General Ledger	TBC						
Fieldwork	Procurement - compliance with Contract Procedure Rules (CPRs)	TBC						
Fieldwork	Housing Benefits	TBC						
Fieldwork	Integra Issue Management	TBC						
Fieldwork	Parking PCNs	TBC						
Fieldwork	Land Charges – Data Quality Note: Geographic Information Services advisory review merged into this audit	TBC						
Fieldwork	Estates Project Management	TBC						
Fieldwork	Decision making framework - compliance	TBC						
Fieldwork	Waste Health & Safety	TBC						
Fieldwork	Risk Management Framework Compliance	TBC						
Planning	Brent Cross - Placeholder	TBC						

Changes to the published 2019-20 Internal Audit Plan

Added to Plan	18-25 Service Budget Monitoring Added at the request of Family Services							
Deferred	Troubled Families - Payment by Results (March submission) Deferred due to COVID-19 response. MHCLG to confirm whether retrospective assurance is required							
Deferred	Direct Payments – Data Analytics Deferred to Q1 of 2020/21 to align with roll-out of pre-paid cards							
Deferred	Transformation - Barnet 2024 Deferred to 2020/21 due to changes in the Project Management function							
Deferred	Highways Health and Safety Deferred to early 2020/21 as agreed with the service to enable them to focus on improvement plan							
Deferred	Data Management Procedures (Cyber) Deferred awaiting outcome of service's Cyber Essentials self-assessment							
Deferred	Brent Cross – PLACEHOLDER Deferred pending confirmation of scope of the Infrastructure and Projects Authority's audit planned for Q4							
Deferred	Conduct Standards – Compliance							

	Deferred as audit to be undertaken by Finance graduate trainee after finance restructure								
Deferred	Brexit Preparedness Response / Deep Dive Deferred to 2020/21 as agreed with Commercial team								
Merged	Trade Waste Invoicing Merged into Accounts Receivable audit								
Merged	Performance Management Framework Merged into Theme Committee Priorities audit								
Cancelled	Integrated Commissioning for Better Outcomes Cancelled as agreed with Adults & Communities no longer a significant concern; also, a number of other audits providing assurance over Adults (BCF, Mosaic, 18-25, Safeguarding, Direct Payments).								
Cancelled	Public Health Grant – Follow-up Review Cancelled as initial audit report only finalised in Q3 and no high priority actions identified.								
Cancelled	Local Counter-Fraud Hub – review of effectiveness Cancelled as LCFH plans not yet confirmed								
Quarter 3									
Complete	Accounts Receivable	Limited	8	-	1	6	1	-	
Complete	Mosaic – Application Review	Limited	4	-	1	3	-	-	

Complete	Banking & Payment Arrangements - Cash & Bank*	Limited	8	-	-	7	1	-
Complete	Domestic Violence	Reasonable	4	-	1	2	1	-
Complete	Public Health - compliance with grant conditions	Reasonable	3	-	-	3	-	-
Complete	MTFS Assurance Process	Reasonable	3	-	-	2	1	-
Complete	Better Care Fund	Reasonable	3	-	-	2	1	-
Complete	Theme Committee Priorities – Benefits Management	Substantial	3	-	-	2	-	1
Complete	Follow up of IT Strategy Audit	Partially Implemented	-	-	-	-	-	-
Complete	Troubled Families - Payment by Results (September submission)	Claim verified						
Complete	Brookhill, St Margarets and Hampden Way Nursery	Reasonable	7	-	-	6	1	-
Complete	Manorside School	Reasonable	6	-	-	4	2	-
Complete	Pavilion PRU	Reasonable	5	-	-	4	1	-
Complete	The Annunciation Infant school	Reasonable	5	-	-	4	1	-
Complete	Mathilda Marks Kennedy School	Reasonable	5	-	-	4	1	-
Complete	Northgate PRU	Reasonable	7	-	-	6	1	-
Quarter 2								
Complete	Highways Programme	No	6	-	6	-	-	-

Complete	Banking & Payment Arrangements – Accounts Payable*	Limited	7	-	2	4	1	-
Complete	St. Michael's Catholic Grammar School	Limited	10	-	1	6	3	-
Complete	Brent Cross Cricklewood – Regeneration - Financial Controls	Reasonable	5	-	-	3	2	-
Complete	St Theresa's Catholic Primary School	Reasonable	6	-	-	4	2	-
Complete	Underhill School	Reasonable	4	-	-	3	1	-
Complete	Private Treaty Agreements (PTAs) Follow-Up	Partially Implemented	-	-	-	-	-	-
Complete	Martin School	Substantial	3	-	-	1	2	-
Complete	Passenger Transport Service (PTS) Health & Safety	Substantial	1	-	-	1	-	-
Complete	Sunnyfields School	Substantial	0	-	-	-	-	-
Complete	Local Transport Capital Block Funding (Integrated Transport and Highway Maintenance)	Claim Verified						
Complete	Local Bus Subsidy Grant	Claim Verified						
Complete	Strategic School Improvement Fund Grant (ADDED TO PLAN)	Claim Verified						

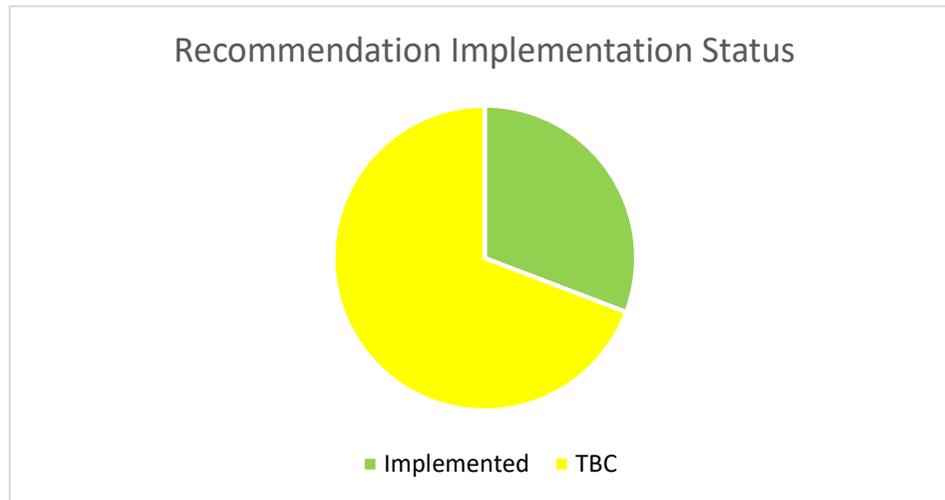
Stage	Name of review	Report classification	Total findings	Ratings				
				Critical	High	Medium	Low	Advisory
Quarter 1								
Complete	Pension Fund Finance and Investment	Limited	4	-	2	1	1	-
Complete	Menorah Foundation School	Limited	10	-	2	5	3	-
Complete	Hasmoneon Primary School	Limited	8	-	1	5	2	-
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	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	-	-	

4.0 Follow Up

4.1 Summary

5.1.1 The wheel below demonstrates how many high and medium priority actions due this period have been confirmed as being implemented. The remaining actions have been marked as TBC due to the audit work following-up the actions having been delayed due to COVID-19 response.



4.2 Completed actions

4.2.1 During this period we followed up **3 high priority and 17 medium priority actions** which are deemed to have been implemented, superseded or closed. These are listed below:

4.2.2 Completed high priority actions

	Name of Audit	Date of audit	No	Findings /Risks	Agreed Action:	Responsible Officer	Original Due Date	Revised due date	Status
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1	Banking and Payments Arrangements - Accounts Payable	01/10/2019	1a(i)	Dual Authorisation procedure	A list of purchase orders raised in Integra above £1m will be provided to Council Finance monthly.	Integra team	31/10/2019	30/01/2020	Completed and confirmed by audit
2	Banking and Payments Arrangements - Accounts Payable	01/10/2019	1c	Mosaic Scheme of Financial Delegation	Finance will review the authorisation limits as stated in the "Authorising spend - what you need to know" document, governing the authorisation levels of social care management for approving cost commitments /care packages in Mosaic for Adults and Communities are in line with the Constitution.	Business Systems Service Manager, Adults and Health Acting Head of Finance – Projects	26/11/2019	15/02/2020	Completed and confirmed by audit
3	Banking and Payments Arrangements - Accounts Payable	01/10/2019	2b	Manual Upload Process	AP will reject manual upload requests which do not comply with the updated manual upload process above, for example, where officers authorise total payments outside their defined limits	Accounts Payable Manager, Accounts Payable, CSG	31/10/2019	15/02/2020	Completed and confirmed by audit

4.2.3 Completed medium priority actions

	Name of Audit	Date of audit	No	Findings /Risks	Agreed Action:	Responsible Officer	Original Due Date	Revised due date	Status
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1	Key Financial Controls Council Tax, NNDR and Housing Benefit	01/06/2019	HB4	Sample check of claims	<ul style="list-style-type: none"> • The service will make best endeavours to correct claims within 24 hours but this cannot be guaranteed. • Develop and implement a process for secondary review of actions taken in response to errors identified through sample checking. This may involve approval of the appropriateness and timeliness of corrective actions taken by a secondary staff member. • Communicate the requirements for sample checks of claims to staff, to ensure that errors are correctly categorised and are resolved on a timely basis. 	Senior Benefits Officer	31/08/2019		Completed and confirmed by audit
2	Domestic Violence	01/11/2019	2a	The Community Safety team does not currently have an Information Management Governance Group	We will reinstate an IMGG as soon as possible.	Assistant Director, Community Safety & Regulatory Services	07/11/2019	28/02/2020	Completed and confirmed by audit
3	Domestic Violence	01/11/2019	2b	The Community Safety team does not currently have an Information Management Governance Group	The appointed Chair will re-establish communication between the Community Safety team and the Information Management Team.	Assistant Director, Community Safety & Regulatory Services	07/11/2019	28/02/2020	Completed and confirmed by audit

4	Cash and Bank	21/01/2020	1a	Direct debit roles and responsibilities	Roles and responsibilities for direct debit management will be clarified (see finding 6 regarding documented policies and procedures). a. Arrangements for the authorisation of direct debits will be drafted and communicated to the relevant parties, the Finance teams in the Delivery Units / Service Areas.	Assistant Finance Manager, Cashbook	03/02/2020		Completed and confirmed by audit
5	Cash and Bank	21/01/2020	3c	Cash and bank system access	Leavers: c. The leavers identified will be de-activated from the Integra and PAY360 systems	Management Accountant, Integra Finance, LBB CSG Technical Support Engineer (Applications)	03/02/2020		Completed and confirmed by audit
6	Cash and Bank	21/01/2020	7c	Documented Procedures	The update of SC procedures will be finalised.	Senior Security Collections Officer	03/02/2020		Completed and confirmed by audit
7	Cash and Bank	21/01/2020	7d	Documented Procedures	Direct Debits d) Procedures governing the management, - request, authorisation and review / monitoring of validity – of direct debits will be approved and communicated.	Head of Finance: Exchequer	03/02/2020		Completed and confirmed by audit

8	Accounts Receivable - Invoicing processing	01/01/2020	2a	Invoicing procedure - Income collection and debt management	(a) Finance will ensure that all invoicing teams are aware of and understand procedures as set out in the Income Collection and Debt Management Guidance (ICDMG). This may require a training session or a notification each time the guidance is updated.	Assistant Income Manager	31/01/2020		Completed and confirmed by audit
9	Accounts Receivable - Invoicing processing	01/01/2020	2b	Invoicing procedure - Income collection and debt management	(b) Finance will ensure that a procedure note is produced and publish on the intranet.	Assistant Income Manager	31/01/2020		Completed and confirmed by audit
10	Accounts Receivable - Invoicing processing	01/01/2020	2c	Invoicing procedure - Income collection and debt management	(c) Finance will ensure that the Income Collection and Debt Management Guidance (ICDMG) is version controlled to ensure teams can identify and are using the correct version.	Assistant Income Manager	31/01/2020		Completed and confirmed by audit
11	Accounts Receivable - Invoicing processing	01/01/2020	2.1b	Commercial Rents - CSG Estates	b) The lease and rent renewal process will be reviewed for efficiency and effectiveness and changes implemented where necessary.	Head of Property Services & Valuation Property Services Officer	31/03/2020		Completed and confirmed by audit
12	Accounts Receivable - Invoicing processing	01/01/2020	3a	Commercial Waste - Street Scene	a) The Commercial Waste team will ensure there are controls in place to certify that all waste contracts are reviewed for accuracy and correctness by making sure that all BRWA Form are countersigned by LBB staff and that signed copies of the form are retained appropriately.	Street Scene Commercial Manager Finance & Performance Manager (Commercial	31/03/2020		Completed and confirmed by audit

						Development Team)			
13	Accounts Receivable - Invoicing processing	01/01/2020	4b	Premises licencing and gambling	b) The PLG team will cancel all outstanding items coded 49 in the system to ensure that the balances available in the account are accurate and correct.	Group Manager	31/03/2020		Completed and confirmed by audit
14	Accounts Receivable - Invoicing processing	01/01/2020	4f	Premises licencing and gambling	f) The AR team will provide a direct debit form with the correct address.	Assistant Income Manager	Complete		Completed and confirmed by audit
15	Accounts Receivable - Invoicing processing	01/01/2020	5a	Education Welfare Accounts - Cambridge Education	a) The Education Team will ensure that the address on the invoices is changed to its current location from NLBP in accordance with the London Borough of Barnet Income Collection and Debt Management Guidance.	Finance Manager Education Welfare Manager	31/03/2020		Completed and confirmed by audit
16	Accounts Receivable - Invoicing processing	01/01/2020	5b	Education Welfare Accounts - Cambridge Education	b) The Education team will ask schools to scan their documents/forms to the team and the scanned copies will be kept electronically until the end of the financial year when bad debts will be written off and forms erased.	Responsible officer: Finance Manager Education Welfare Manager	31/03/2020		Completed and confirmed by audit
17	Accounts Receivable - Invoicing processing	01/01/2020	6a	Document Centre and Mailroom - CSG	a) The Document centre and mailroom team will liaise with the CST-Helpdesk to ensure that the second level of printing security is separated between the two Document Centre & Mail team staff members responsible for printing.	Document Centre and Mailroom Manager	31/03/2020		Completed and confirmed by audit

4.3 Outstanding actions

4.3.1 At the beginning of Q4 we started to follow up work on **10 high priority actions** and **55 medium priority actions** with an implementation date of 31st March 2020 or sooner. We began discussions with management on the progress made in implementing actions falling due in this period and began to seek evidence to support their response.

However, due to the COVID-19 response we were **unable to reach a conclusion on 7 of the high priority actions and 38 of the of the medium priority actions** during Q4, either due to staff being unable to respond to us or due to Internal Audit staff redeployment meaning that audit work that had commenced could not be completed.

These actions are summarised below and will be followed up fully at the earliest opportunity as part of the 2020/21 Internal Audit plan.

4.3.2 High priority actions – status to be confirmed

	Name of Audit	Date of audit	No	Findings /Risks	Agreed Action:	Responsible Officer	Original Due Date	Revised due date	Status
1	Equalities data - quality and analysis	01/11/2018	1a	Data quality and analysis – staff performance reviews (control design and operating effectiveness)	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.	Assistant Director, HR & OD	28/02/2019	31/03/2020	TBC

2	Equalities data - quality and analysis	01/11/2018	2d	Data quality and analysis – mandatory gender pay gap reporting	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.	Assistant Director, HR & OD	31/03/2019	29/02/2020	TBC
3	Highways Programme	01/08/2019	5b	SPIR Invoice Approvals	Work will not be goods received by LBB Finance before the necessary authorisation is on file as per action (a), Management will clearly define the responsible officers for ensuring that Re Invoice 2s are approved for payment and the minimum documentation which will be on file to support the payments	Finance Manager, LBB Commercial Advisor, LBB Strategic Lead Commissioner – Transport and Highways, LBB	31/12/2019	31/03/2020	TBC
4	Banking and Payments Arrangements - Accounts Payable	01/10/2019	1a(ii)	Dual Authorisation procedure	Finance will ensure that the Dual Authorisation form is completed for all POs above £1m on the monthly list. Finance will ensure that the form is completed correctly in line with the Council Constitution and is attached in Integra for referral.	Head of Finance – Special Projects	31/10/2019	30/01/2020	TBC

5	Investing in IT – Lessons Learned (Portfolio and Project Management)	09/05/2019	3a	Governance of non-IT Projects	Non-IT Projects 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.	Commercial & Customer Services Director	30/09/2019	31/01/2020	TBC
6	Accounts Receivable - Invoicing processing	01/01/2020	1a	Invoices produced on spreadsheet	All manually loaded spreadsheets must include documented approval by an appropriate authorised person to evidence that the spreadsheet has been independently checked for accuracy, in line with the Financial Regulations requirement that separation of duties must be in place for all financial transactions.	All invoicing teams across the Council and its partners.	31/01/2020	N/A	TBC
7	Domestic Violence	01/11/2019	1a	The Community Safety Information Sharing Agreements are out of date and not fit for purpose	The Community Safety team will develop the ISA to be sufficient to cover all 12 ISAs within the current Corporate ISR. The IMT will continue to provide guidance to the Community Safety team throughout the process.	Community Safety Manager with support from Information Strategy Manager	24/01/2020	28/02/2020	TBC

4.3.3 Medium priority actions – status to be confirmed

	Name of Audit	Date of audit	No	Findings /Risks	Agreed Action:	Responsible Officer	Original Due Date	Revised due date	Status
1	Pension Fund Finance and Investment July 2019	01/07/2019	3a	Collection of strain contributions	a) The CSG Pensions Administration team will agree where and to whom invoices relating to strain costs will be sent as part of the retirement process and notify the employer of the final calculated strain cost once the retirement has been agreed.	Service Delivery Manager, CSG Pensions Administration	31/07/2019		TBC
2	Pension Fund Finance and Investment July 2019	01/07/2019	3c	Collection of strain contributions	c) CSG Pensions Finance will implement the process agreed with the Council for collecting strain contributions.	Head of Scheme Finance and Payroll, CSG Pensions Finance	31/07/2019		TBC

3	Key Financial Controls Council Tax, NNDR and Housing Benefit	01/06/2019	HB6	Overpayments	<p>1. Ensure that appropriate quality checks are done so that accuracy of billing and recovery is maintained.</p> <p>2. Recommunicate the requirements for housing benefits overpayments to staff, to ensure that the Council's processes are consistently followed. This should include sending initial invoices in a timely manner, and completion of full recovery procedures (where required).</p> <p>3. Action the exceptions identified in our testing, specifically to ensure that claimants are aware payment is required, and conduct further investigation to recover repayments</p>	Benefits Overpayments Officer	31/05/2019		TBC
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4	Key Financial Controls Council Tax, NNDR and Housing Benefit	01/06/2019	HB9	Housing Benefits - Policies and Procedures	<p>1. The Key policy and procedure documents will be reviewed annually to ensure they are line with best practice and or changes in legislation. The Discretionary Housing Payment and Section 13a Policy was reviewed in quarter 4 of 2018/19. A new joined policy was implemented from 01/04/2019 to cover these processes. The overpayment policy will be reviewed by 31/07/2019.</p> <p>2. Develop and formalise policy and procedures for key controls which are not referred to in existing policy and procedure documents. These should be formally approved and incorporated into the formal review cycle.</p>	<p>Acting Head of Revenues & Benefits, LBB</p> <p>Housing Benefit Manager, CSG</p>	31/07/2019		TBC
5	Key Financial Controls Accounts Receivable – Debt Management and Collection Debt Management and Collection	01/04/2019	AR3i	Third Party Debt Collection	Ensure that the lack of valid current contract with this bailiff is addressed and that the Council's Contract Procedure Rules are adhered to.	Revenues & Benefits Manager	30/09/2019		TBC

6	Key Financial Controls Accounts Receivable – Debt Management and Collection Debt Management and Collection	01/04/2019	AR3ii	Third Party Debt Collection	Communicate and reinforce the requirements for third party debt collection, including where initial recovery attempts made by the bailiff and the Council are not successful, to ensure that follow up procedures are performed, or the debt is written off if required	Revenues & Benefits Manager	30/09/2019		TBC
7	Banking and Payments Arrangements - Accounts Payable	01/10/2019	3a	Duplicate Payments	<p>The implementation of software, AP Forensics (APF), will be expedited in line with Council requirements, to identify potentially duplicate payments based on a variety of agreed criteria such as value, name and bank details.</p> <p>The Head of Counter Fraud Operations will be engaged as part of the implementation of the software, as a potential end user of the application.</p>	<p>Acting Head of Finance – Projects liaising with Head of Financial Systems, Capital</p> <p>Head of Counter Fraud Operations (engage with the AP Forensics implementation process as a potential end user of the software)</p>	31/10/2019		TBC

8	Banking and Payments Arrangements - Accounts Payable	01/10/2019	3b	Duplicate Payments	Processes for identification, escalation and investigation, clarifying roles and responsibilities and the timing of reports will be documented and communicated.	Acting Head of Finance – Projects liaising with Head of Financial Systems, Capita Head of Counter Fraud Operations (engage with the AP Forensics implementation process as a potential end user of the software)	31/10/2019		TBC
9	Banking and Payments Arrangements - Accounts Payable	01/10/2019	3c	Duplicate Payments	Pending implementation of APF, Finance will arrange for the download of the last 3 years of Council payments at the Council through AP Forensics software to identify potentially duplicate payments for investigation	Acting Head of Finance – Projects liaising with Head of Financial Systems, Capita Head of Counter Fraud Operations (engage with the AP Forensics implementation process as a potential end user of the software)	31/10/2019		TBC

10	Banking and Payments Arrangements - Accounts Payable	01/10/2019	6c	Documented AP Procedures	Finance will engage with the relevant Capita teams to produce flowcharts mapping all Integra interfaces with other systems, for example, Mosaic and ControCC and defining related operation,	Interim Finance Manager, Financial Systems replacing Acting Head of Finance – Projects, liaising with Capita officers where necessary	31/10/2019		TBC
11	Banking and Payments Arrangements - Accounts Payable	01/10/2019	App 6.1, 1.2	0	AP to resolve for deletion, where applicable, the remaining 52 matches. AP to respond to further request for information from CAFT in relation to the one outstanding bank account.	Interim Finance Manager, Financial Systems replacing Accounts Payable Manager, Accounts Payable, CSG	01/10/2019		TBC
12	Banking and Payments Arrangements - Accounts Payable	01/10/2019	App 6.1, 2.2	0	AP to confirm that deactivation where appropriate for 146/284 vendors sharing common bank accounts. AP to respond to further request for information from CAFT in relation to two outstanding bank accounts.	Interim Finance Manager, Financial Systems replacing Accounts Payable Manager, Accounts Payable, CSG	01/10/2019		TBC

13	Banking and Payments Arrangements - Accounts Payable	01/10/2019	App 6.2	0	Council / CSG Finance management will review the observations as a basis for implementing changes in Integra, in current or future versions/updates based on a risk/cost/benefit analysis. Observations which further mitigate fraud risk will be prioritised for assessment.	CSG/LBB AP Business Partner	31/03/2020		TBC
14	Cash and Bank	21/01/2020	1b	Direct debit roles and responsibilities	Direct debits will be reviewed to ensure their ongoing validity. Corporate Finance will provide a report of direct debits to Finance teams in Delivery Units periodically for them to confirm their ongoing validity.	Assistant Finance Manager, Cashbook	03/02/2020		TBC
15	Cash and Bank	21/01/2020	2a	Bank account listing	A complete list of all Council bank accounts will be maintained including signatories and who is responsible for the day to day control of those accounts, including the bank reconciliation process.	Assistant Finance Manager, Cashbook	01/03/2020		TBC
16	Cash and Bank	21/01/2020	2b	Bank account listing	b) Bank reconciliations will be conducted, documented and appropriately authorised for all bank accounts.	Assistant Finance Manager, Cashbook	01/03/2020		TBC
17	Cash and Bank	21/01/2020	2c	Bank account listing	c) The signatories list for every banking provider used by the	Assistant Finance	01/03/2020		TBC

					Council will be updated where required and stored centrally.	Manager, Cashbook			
18	Cash and Bank	21/01/2020	2d	Bank account listing	d) The complete list of the Council's bank accounts will be reviewed to confirm what the accounts are for and whether they are all still needed.	Assistant Finance Manager, Cashbook	01/03/2020		TBC
19	Cash and Bank	21/01/2020	2e	Bank account listing	e) Where required, the contact details for each account will be confirmed and updated (e.g. correct contact names and postal address).	Assistant Finance Manager, Cashbook	01/03/2020		TBC
20	Cash and Bank	21/01/2020	2f	Bank account listing	f) The relevant observations from the Accounts Payable Data Analysis review will be taken forward.	Assistant Finance Manager, Cashbook	01/03/2020		TBC
21	Cash and Bank	21/01/2020	3a	Cash and bank system access	Integra: a. Finance Business Partners will review Integra access lists monthly to confirm the validity of user access in line with the end user roles and responsibilities, including leavers/movers (LBB and non-LBB staff).	Interim Finance Manager	03/02/2020		TBC
22	Cash and Bank	21/01/2020	3b	Cash and bank system access	Pay360: b. The use of shared accounts will cease. Users will be provided with their own account so that accountability for activity undertaken in the system is clear.	CSG Technical Support Engineer (Applications)	03/02/2020		TBC

23	Cash and Bank	21/01/2020	4a	Bank reconciliation	a. The monthly review of the bank reconciliation will include a review of the level of unreconciled balances by Management. Specifically, unreconciled amounts over 3 months will be monitored to ensure a continuous focus on such transactions for clearance.	Assistant Finance Manager, Cashbook	03/02/2020		TBC
24	Cash and Bank	21/01/2020	5a	Cash management administration	a. Independent reconciliations of top requests and Service payments relating to the £10k cash float will be done periodically, for example once a year, possibly on a surprise basis.	Acting Income and Cashier Manager	03/02/2020		TBC
25	Cash and Bank	21/01/2020	5b	Cash management administration	b. All Service requests for cash monies/ payments from the £10k float will be made in writing and retained for referral.	Cashier	03/02/2020		TBC
26	Cash and Bank	21/01/2020	5c	Cash management administration	c. The sign-off documentation supporting the collection and delivery of asylum seeker pay packets will be retained for referral.	Cashier	03/02/2020		TBC
27	Cash and Bank	21/01/2020	6a	Security - Physical access	a. CCTV will be installed in the Colindale ground floor safe office	Assistant Director – Estates, Sean Patten, Acting Facilities Manager	03/02/2020		TBC

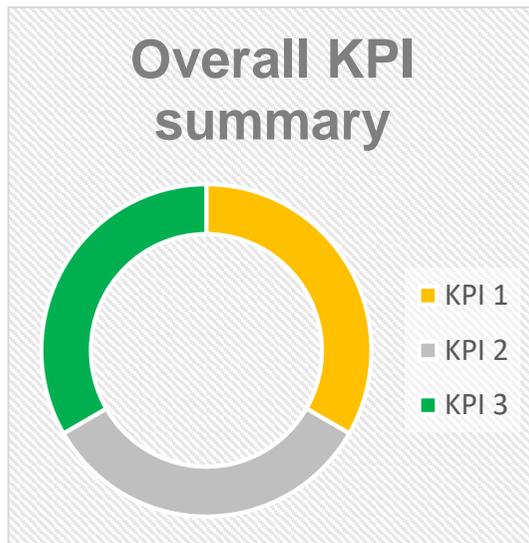
28	Cash and Bank	21/01/2020	6b	Security - Physical access	b. Once the CCTV issue has been resolved that consideration be given to whether the EP safe should be moved to Colindale.	Cashier	03/02/2020		TBC
29	Cash and Bank	21/01/2020	7b	Documented Procedures	Cash-up and cash/cheque receipting: b) Cash/cheque receipting into Pay360 and cash-up procedures will be updated to record manager review and sign-off of the cash-up documentation and Royal Mail collection arrangements.	Cashier	03/02/2020		TBC
30	Accounts Receivable - Invoicing processing	01/01/2020	2.1a	Commercial Rents - CSG Estates	a) The Commercial Rents team will ensure that expired leases and rents are renewed promptly to improve the income and cash flow of the Council.	Head of Property Services & Valuation Property Services Officer	31/03/2020		TBC
31	Accounts Receivable - Invoicing processing	01/01/2020	4a	Premises licencing and gambling	a) The Premises Licensing and Gambling team will review its processes in relation to termination and transfer of licences to ensure terminated clients are removed from the database for invoicing immediately. Team to also review last 12 months to ensure these have been actioned.	Group Manager	31/03/2020		TBC

32	Accounts Receivable - Invoicing processing	01/01/2020	4c	Premises licencing and gambling	c) The PLG team will raise a call with CST for any further bespoke reports that are required from Integra.	Group Manager	31/03/2020		TBC
33	Accounts Receivable - Invoicing processing	01/01/2020	4d	Premises licencing and gambling	d) Henceforth, the Premises Licensing and Gambling team will be routinely providing authorisation for the AR team to take recovery action against unpaid invoices when the premises ceased trading.	Group Manager	31/03/2020		TBC
34	Accounts Receivable - Invoicing processing	01/01/2020	4e	Premises licencing and gambling	e) The Premises Licensing and Gambling team will explore the possibility of setting up direct debits for all its clients/customers to improve the council's income.	Group Manager	31/03/2020		TBC
35	Accounts Receivable - Invoicing processing	01/01/2020	4g	Premises licencing and gambling	g) The Premises Licensing and Gambling team bad debts will be processed for approval in accordance with the Council's Financial Regulations. The team will verify the required approval limits and comply with these.	Group Manager	31/03/2020		TBC
36	Accounts Receivable - Invoicing processing	01/01/2020	5c	Education Welfare Accounts - Cambridge Education	c) Going forward, Education Account Team's credits, bad debts and doubtful debts will be processed for approval in accordance with the Council's Financial Regulations (Fin Reg). The Team will verify the	Finance Manager Education Welfare Manager	31/03/2020		TBC

					approval limits and comply with the provision of the Fin Reg. If an exception to the Fin Reg is required, this will be documented and approved by senior management and the Director of Finance.				
37	Integra Access and Program Change Management ("APCM")	01/12/2018	2a	Governance – Assurance over the operating effectiveness of access and change management controls over Integra as a hosted service	CLPS will consult with the Council / Deputy S151 and agree on an approach to provide the Council with evidence that CLPS perform ongoing monitoring of the activities outsourced to CIBS in particular that logical access and change management controls over Integra continue to operate effectively on an ongoing basis throughout the financial year	Head of Financial Systems, Capita	31/01/2019		TBC
38	Integra Access and Program Change Management ("APCM")	01/12/2018	3a	Logical access – Segregation of Duties ("SoD")	a) CSG are currently in the process of performing a review of potential SoD conflicts, and will create a list of incompatible/prohibited combinations of user groups for use by CST when processing requests for starters and movers. This will be completed as soon as possible and shared with the Director of Finance	Internal Controls Manager, Capita	31/01/2019		TBC

Appendices

Appendix A: Key performance indicators (KPIs)



KEY:

Fully Achieved

Partially Achieved

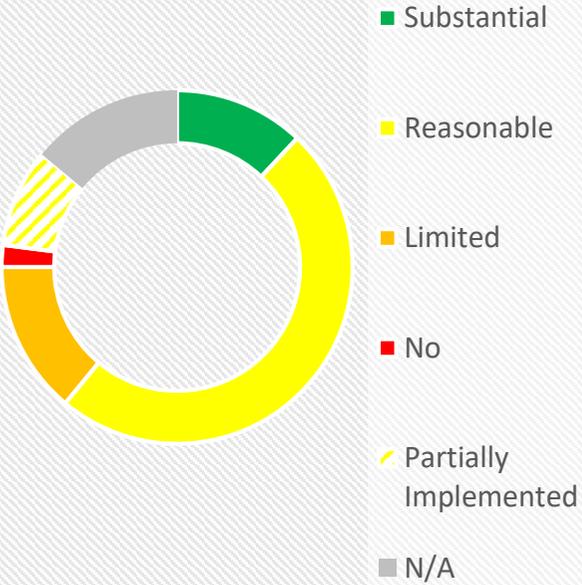
Not Achieved

Work ongoing



KPI	Target	Results	Comment										
<p>1. % of Plan delivered</p> <p>Narrative:</p>	95%	89%	<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 89% of our plan.</p> <p>Up to 49% = Not Achieved 50% - 94% = Partially Achieved 95% = Fully Achieved</p>	Not Started	0%	Planning	20%	Fieldwork	50%	Draft Report	90%	Complete	100%
Not Started	0%												
Planning	20%												
Fieldwork	50%												
Draft Report	90%												
Complete	100%												
<p>2. Verification that at least 90% of Critical and High Risks have been mitigated by management at the time of follow up</p>	90%	N/A*	<p>0-49% = Not Achieved 50-89% = Partially Achieved 90% = Fully Achieved</p> <p>* As noted in section 4.2 the Q4 planned audit work on follow-ups could not be completed due to the COVID-19 response. Work is ongoing and will be completed as part of the 2020/21 Internal Audit plan.</p>										
<p>3. Average customer satisfaction score for year to meet or exceed acceptable level for at least 85% of completed surveys</p>	85%	100%	<p>0-49% = Not Achieved 50-84% = Partially Achieved 85% = Fully Achieved</p>										

Assurance Ratings



<p>4. % of reports year to date achieving:</p> <ul style="list-style-type: none"> •Substantial •Reasonable •Limited •No Assurance •Partially Implemented •N/A 	<p>N/A</p>	<p>12% 49% 14% 2% 9% 14%</p>	
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