

Internal Audit – London Borough of Barnet

Appendix 1



Internal Audit Q3 (Phase 2) Progress Report

1 October – 31 December 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.

1.2 Progress against the 2020/21 internal audit plan

1.2.1 We have completed 11 reviews in this period and delivered 64% of our 2020/21 internal audit programme for the year, which is below the 75% target for Q3.

This should be viewed in the context of COVID-19, in that the internal audit team have been redeployed to date for a total of 300 'audit days'. To make up for this, where possible audits have been undertaken by our co-sourced partner PwC where they would normally have been undertaken by the in-house team. Alongside this, the rest of the Council has been delivering critical services only for a significant proportion of the year to date which had an impact on the internal audits being undertaken.

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

1.2.2 There was one 'limited' assurance report issued in this period. There were no 'No Assurance' rated reports.

- **Land Charges - Review of Planning Data Controls and Policies**

Further detail is provided in section 2.1 of this report.

1.3 Findings of our Follow Up Work

1.3.1 We have undertaken follow up work on all **high priority actions** with an implementation date of 31st December 2020 or sooner. We have had discussions with management on the progress made in implementing actions falling due in this period and have sought evidence to support their response.

A total of 7 high priority actions have been followed up in Q3:

- 1 action has been confirmed as implemented (14%); and
- 6 have been partially implemented, including 2 that we were unable to test due to the control not operating in Q3 (86%).

High priority actions: Follow-up Summary	Total	Implemented	In progress	Not Implemented	Unable to Test*
Total Number of Actions	7	1	4	0	2

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

A total of 39 medium priority actions have been followed up in Q3:

- 34 actions have been confirmed as implemented (87%);
- 5 have been partially implemented (13%).

Medium priority actions: Follow-up Summary	Total	Implemented	In progress	Not Implemented	Unable to Test*
Total Number of Actions	39	34	5	0	-
Total actions followed up in Q3 (High and Medium)	46	35	9	0	2
%		76%	20%	0%	4%

*These actions are in progress but could not be tested as the control didn't operate in Q3.

We have currently confirmed **76%** high and medium rated actions as implemented, which is below the target of 90%. Progress had been made where possible, taking into consideration the fact that although Internal Audit has effectively resumed 'BAU', other areas of the Council have been focussing on their own response and recovery plans. The outturn should be viewed in the context of services prioritising their response and recovery activity and the ongoing need to focus on the COVID response.

1.3.3 Until we have clear confirmation that the implementation of audit actions is at an appropriate level and that this 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 against audit actions is summarised in more detail in Section 4.

1.4 Other Matters

1.4.1 Managing Access and Authorisation Rights on IT systems

At the October Audit Committee, we confirmed that work is ongoing at the Council on the Starters, Leavers and Movers (SLaM) project. This is a key project that will support stronger access controls across the Council's IT systems, which was one of the high priority areas of concern in the Grant Thornton Review of the Financial Management Relating to Compulsory Purchase Order (CPO) Fraud.

During Q3 the Project Board has been set up and had its first two meetings, with Internal Audit in attendance. The scope of the SLaM project includes access to the four primary IT applications used at the Council, those being:

- Integra (finance, procurement and related functions);
- HR Core (HR processes and payroll);
- Mosaic (Adults case management system); and
- Controcc (Family Services payments, financial assessments and charging).

Alongside sitting on the Board, in Q4 we are planning an audit of Managing System Access Rights over the Controcc system to inform Phase 1 of the SLaM project. This phase involves understanding and documenting the 'As Is' operating model (including any compensating controls over access to systems) before agreeing and implementing the 'To Be' operating model. The areas included within the scope of the audit are:

Security Policies and Procedures
Access to the System, Information and Resources
Enforcing Appropriate Segregation of Duties
Audit Log Management & Monitoring of Users
Password Controls
User Access Reviews

'Change Developer' Access to Production
Third Party Access

1.4.2 Data Matching exercise – LBB payments to staff bank accounts

As previously reported to the Audit Committee, two known frauds have been committed by staff working on the Barnet Capita contracts (the CPO fraud identified in December 2017, committed by an employee of the RE joint venture between Capita and LBB, and the Pensions fraud identified in 2019). After the CPO fraud, to provide assurance to the Audit Committee that no further frauds had been committed, in 2018-19 we undertook a data matching exercise. Part of the scope of that review was LBB payments to staff bank accounts to confirm that any payments were legitimate. At the time, we wanted to include Capita staff bank accounts but could not reach agreement to share the necessary data at that time.

We have subsequently been seeking agreement from Capita to undertake a data matching exercise between LBB payments data and the bank accounts of Capita staff working on the Barnet contract. In January and August 2020, when Capita provided updates to the Audit Committee on the Pensions fraud, they committed to 'revisit the possibility of undertaking regular data trawls of payments made to staff bank accounts.'

During Q3, a project manager has been agreed for both parties, an Information Sharing Agreement has been drafted and there is a draft project plan in place. Representatives from the Council and Capita's internal audit, anti-fraud, data protection, HR and commercial teams are regularly liaising to move the exercise forward and to reach an agreement that is acceptable to both parties.

We will report the outcome of the data matching exercise, if undertaken, to the Audit Committee.

1.4.3 Equalities audit – Recruitment and Retention

As part of the *Equalities, Diversity and Inclusion Policy* action plan we have committed to undertaking at least one audit a year related to Equalities.

In addition, during Q3 we have followed up the previously raised audit actions from the 'Public Sector Equality Duty compliance' (Sept '18) and 'Equalities data - quality and analysis' (Dec '18) reviews. This follow-up work is covered in Section 4.

We have discussed potential scope areas for the 2020/21 audit with the Director of Resources and the Assistant Director – Human Resources & Organisational Development and have met and discussed with the Barnet Equalities Allies. The provisional title of the audit to be commenced in Q4 is **Equalities – Recruitment and Retention**.

1.4.4 Pensions Administration Governance Transition

In Q3, at management's request we undertook a review of the arrangements to transfer Pensions Administration from Capita to West Yorkshire Pension Fund on 1st November 2020. Although this was not an audit that was given an overall assurance rating, it did identify 4 high priority findings and a summary of the review has therefore been included within Section 2.

1.4.5 COVID transactions – data analysis

As part of the 2020/21 plan agreed at the Audit Committee in July, we committed to undertaking analysis of transactions made after controls were adapted or relaxed in response to the COVID crisis. We have now completed the first phase of this work, looking at Emergency Payments and Purchase Card payments. A summary of the analysis and the resultant actions being taken is included in Section 2. At this time, we have not identified any fraud, but we are making some process improvement recommendations to finance.

Fieldwork is underway on the second phase of this work, looking at Accounts Payable, Contractor Spend and Revenue Assurance.

1.5 Recommendations

- That the Audit Committee notes the progress made against our 2020/21 Internal Audit Programme.

2.0 Limited Assurance and reports with significant impact issued since the previous meeting

2.1 Limited Assurance Reports

2.1.1 Land Charges - Review of Planning Data Controls and Policies

Number of recommendations by risk category				
Critical	High	Medium	Low	Advisory
-	2	-	-	-

Scope

Local Land Charge searches are reliant on high quality accurate data. When a buyer is making a decision about purchasing a property, they, or a solicitor on their behalf, will contact Barnet Council to complete a Local Land Charges search. A report is sent to the buyer containing all the information about the property including:

- Information on planning applications that have been made
- Road agreements
- Tree preservation orders
- Conservation areas
- Listed buildings notices
- Environmental health notices.

Every local authority in England, with the exception of county councils, is required to hold a local land charges register that records obligations affecting properties within their administrative area. Under the Infrastructure Act 2015 responsibility for the 314 registers was transferred to HM Land Registry in a phased approach beginning in summer 2018. In December 2020 the Council was notified by 'Land Registry' that HM Treasury had instructed it to take over Barnet's data from April 2021, meaning that the Council and Land Registry will spend up to two years from April 2021 going through the data, with the migration of the data expected to take place in 2022-2023.

The review was undertaken to provide assurance over the data that will be transferred to the Land Registry. The audit did not review individual land charge searches in detail, therefore it does not comment on the outputs of the Local Land Charges service and does not draw conclusions on the

quality or competency of the outputs. A further review will be undertaken during 2021/22 over a sample of land charge searches which will review them in detail, providing assurance that the risks highlighted in this report have not materialised into issues.

We interviewed Local Land Charges (LLC) staff on the nature of data quality issues they encounter during the process; to provide a clear and independent record of current data quality risks affecting the activities of the Local Land Charges Service. Although there are several business areas that feed into the LLC process such as Highways and Environmental Health via the Uniform system, the scope of this audit was limited to the Planning Application Data that is entered and stored in Uniform. Management have acknowledged that the data sources outside of our scope come with their own data quality issues therefore it is important for the Council to investigate the impacts of these and the implications from this audit. We conducted an initial process review and mapping of the dataset (including the data linked to different sources from different generations of database systems) to understand and identify key areas of data quality risk. Once complete, we agreed the key data items on which to perform detailed analytics testing.

On the 1st October 2013, Re, a joint venture between the London Borough of Barnet (LBB) and Capita was created. The LLC and Planning teams are part of Re. There were known issues with the data at that time and we have reviewed whether data quality issues still exist now. Through data analytics, we performed a range of procedures to identify risks and issues with respect to the completeness, uniqueness, accuracy and validity of the data, creating a dashboard to highlight all exceptions.

Summary of findings

We identified two high risk findings as part of the audit:

1. Inaccurate, incomplete, invalid and duplicate data held on the Uniform system – We found instances of inaccurate, incomplete, invalid and duplicated data within Uniform; the system used to process planning applications. During process walkthroughs we were shown examples of property coordinates (polygons) either overlapping each other, drawn on incorrect addresses or entirely missing.
2. Inefficient controls throughout the planning application and LLC process – We found multiple instances of undefined roles and responsibilities when processing data within Uniform where data ownership shifts between different parts of the business and it is not clear who is responsible for quality control at different points of the process. Additionally, due to the lack of confidence in the data quality within the Uniform system, the Land Charges team perform manual workarounds such as manually checking outputs of the Total Land Charges (TLC) system to ensure it matches what is held within Uniform, and relying on spreadsheets being sent to them regarding road adoptions which they use to populate the LLC report.

We also reviewed the findings against the 'Land Charges - Recommendations for Data Supply to Land Registry' report produced by the Re Transformation Team in 2017. We identified the same issues within the current Planning data, so recommendations had not been actioned. We also found that there are still issues that exist in the post 2014 data despite the joint venture between LBB and Capita being put in place. There are very few specific data quality requirements held within the contract, however an example is to maintain a record of all planning application decisions for auditing purposes.

We recommend the following actions be taken to address the above findings:

Inaccurate, incomplete, invalid and duplicate data held on the Uniform system

- Review processes to better understand critical data items, identify existing data gaps and define desired data quality thresholds.

- Define and implement a strong data governance framework to sustain data quality, ensuring existing policies such as the Data Quality Standard are embedded within teams, which should include a vision and strategy, an operating model, change management and monitoring.
- Create a data directory that would provide clarity over which data items are essential versus nice-to-have
- Assess current tools, technology and skills and where gaps are identified, invest in technologies and training that could help enhance the data quality controls.
- Review other data inputs that feed into the LLC process taking into consideration the implications from this audit.

Inefficient controls throughout the planning application and LLC process

- Define appropriate roles and responsibilities and data entry requirements.
- Implement governance procedures to sustain data quality levels going forward, including formalised processes for updating data quality requirements as needed.
- Review Uniform access requirements for teams/specific roles to ensure access is not too narrow.
- Design and implement procedures to sustain data quality levels going forward.
- Identify training requirements and develop a communication plan to present and share data quality initiatives between the different teams within the process.
- Review priority records prior to 2017 to ensure CIL liabilities are correctly recorded.
- Consider the risks to understand any work that may be required to improve data quality that haven't already been addressed.

Although included within the Terms of Reference for this review, we were unable to conduct any testing on the consistency of the datasets between the system that the Planning team input into Uniform and the system that the Local Land Charges team use, TLC. During fieldwork it became clear that TLC is a reporting tool that is used to pull together the local land charges report from a variety of different data sources. This includes data being pulled from Uniform using batch processing as well as some manual input, for example crossover agreements, deed of variations, and grants and environmental notices.

As part of the review, we created a Data Quality dashboard for discussion. This shows all the exceptions identified. A snapshot of this is included within the full report.

Within the full report we also documented the high-level data flow from entry by the Planning team to how the Local Land Charges team use the data, with boxes outlined in red where we identified issues within the process.

Since the audit, management have confirmed that an action plan and associated Programme Board has now been put in place which includes addressing historic critical data errors. This will align with the work with the Land Registry to prepare for the transfer of data from the Council to the Land Registry.

2.2 Advisory Reports with significant impact

2.2.1 Pensions Administration Governance Transition

Number of actions by risk category				
Critical	High	Medium	Low	Advisory
-	4	4	2	

Scope

This review has been undertaken as part of the London Borough of Barnet Internal Audit & Anti-Fraud Strategy and Annual Plan 2020-21, which was presented to the Council's Audit Committee on 14th July 2020. The review was undertaken to support management in providing assurance to the Pension Fund Committee and identifying areas of improvement on and post the Transition.

A decision was made by the Council on 3 March 2020 to transfer the administration of the Barnet Pension Fund from Capita to the West Yorkshire Pension fund (under a Section 101 delegation to Bradford City Council (City of Bradford Metropolitan District Council; CBMDC)). West Yorkshire Pension Fund (WYPF) provides pension administration and pensioner payroll services. The fund currently administers the Local Government Pension Scheme (LGPS) for West Yorkshire, Lincolnshire and London Borough of Hounslow and the Firefighters' Pension Scheme (FPS) for a number of Fire Authorities and is the largest FPS administrator in England. WYPF's business model is to take on third party pension administration through a shared service arrangement. This enables WYPF to reduce its administrative cost per member and also the third party's cost per member.

This project transferred the administration of the LGPS for the London Borough of Barnet (LBB) and other participating employer's membership and pensioner payroll service from Capita to WYPF. The project started with the selection of WYPF as preferred provider and concluded with the administration of LBB's membership and pensioner payroll becoming the responsibility of WYPF from the 1 November 2020.

Summary of findings

This review was performed in July and August 2020 to provide assurance over the governance of the pensions administration transition project before go-live on the 1 November 2020. The draft report was issued in September and management comments were provided in October. Due to the delays finalising the report, we have included management comments in response to our findings. As the pension's administration has now transitioned to WYPF as of 1 November 2020 and some of the findings of the review have been superseded by events, the management action plans aim to build a way forward to address the recommendations made in relation to known ongoing data improvement issues inherited by WYPF.

The pensions administration transition project's key deliverable was the transition of pension administration from Capita to WYPF by the 1 November 2020. The project deliverables, i.e. the project initiation document (PID) exclude from its remit two fundamental areas which are critical to the success of the pension administration function at WYPF, namely the improvement of member data and the level of benefit calculation automation which is to be achieved. Under a 'gold standard' transition plan both of these areas would be addressed prior to transition of the administration, so that the new provider would not inherit poor quality data and the benefits of transitioning to a new administrator are realised from day 1. Management acknowledge and accept that these two areas are fundamental to the successful provision of a good pensions service, however did not want transition contingent on the completion of an improvement plan when the lack of progress against improvement plans was one of the main reasons for moving the service.

This review identified 4 high, 4 medium and 2 low risk findings.

We identified the following high and medium findings at the time of the audit to which management have agreed appropriate actions:

	Summary Finding	Risk category	Management Response at 27 November 2020	Agreed action
1	<p>No data improvement plan has been agreed with WYPF to address the backlog of cases post transition</p> <p>Currently no plan has been agreed to address the backlog which will be inherited by WYPF, including any additional costs for LBB that this may incur.</p>	High	<p>The transition plan was aimed at ensuring that all the membership data held by Capita as at the date of transition was accurately transferred to WYPF and that WYPF had a structure in place to deliver the administration service to a desired standard. While both WYPF and LBB recognised that a subsequent data improvement plan will be needed, it was not considered appropriate to plan in detail until the state of the data to be transitioned was known to WYPF post transition.</p>	<p>Discussions with WYPF have commenced as planned post transfer to identify key priorities, including data gaps and resolving backlog cases. It is anticipated that a plan will be agreed during quarter 1, 2021. Timescale to complete will be determined by the contents of the action plan.</p> <p>Responsible officer: Head of Pensions</p> <p>Target date: Priorities Action Plan – 31 March 2021</p>

	Summary Finding	Risk category	Management Response at 27 November 2020	Agreed action
2	<p>No data improvement plan has been agreed with WYPF to improve the quality and completeness of member data post transition</p> <p>Where there are issues of poor data or data quality the regulator expects improvement plans to be in place.</p>	High	Please see management response above.	<p>As discussed above, a data improvement plan will be agreed with WYPF that will have specific data improvement measures and timelines, which will be monitored and tracked. Progress against the agreed data improvement plan will be reported to the Pension Fund Committee.</p> <p>Responsible officer: Head of Pensions</p> <p>Target date: Priorities Action Plan – 31 March 2021</p>
3	<p>No benefit calculation automation schedule in place</p> <p>There is no schedule or workstream in place in respect to benefit calculation automation which is a key requirement for reducing manual benefit calculations and pension administration inefficiencies.</p>	High	The extent of calculation automation was part of the criteria used in the selection of WYPF. Currently 95% of calculations are automated, including the most frequently used calculations. The monitoring of the relationship with WYPF will include discussions on the potential for process improvements.	<p>Benefit process will be routinely discussed with WYPF.</p> <p>Responsible officer: Pensions Manager</p> <p>Target date: Not applicable</p>
4	<p>The project and subsequent project reporting do not consider necessary improvements required to the pension administration provision and key interdependencies</p> <p>Currently the success of the project focuses on the transition of administration and has not considered the desired benefits</p>	High	To provide an administration service requires people, systems, processes and data. The only one of these moving to WYPF is data. We will inherit the WYPF team, systems and processes and from day one the service will be delivered in the WYPF manner which is an award-winning service. The only area of improvement is around data which is discussed in recommendation 1 and 2.	For data remediation and reporting, see action plans against findings 1 and 2.

	Summary Finding	Risk category	Management Response at 27 November 2020	Agreed action
	which it wants to realise from the project and key interdependencies, for example improvement in the completeness and quality of member data, and efficiencies to the delivery of administration services being provided through benefit calculation automation.			
5	<p>Capita remediation plan to address the backlog of cases does not provide clear data on progress made</p> <p>LBB have committed to paying Capita additional monies for the additional resources required to clear the backlog of cases and so it is critical that progress reporting demonstrates the work that has been completed.</p>	Medium	The payment of LBB's contribution to the data remediation plan will be agreed after verification of the work completed by Capita.	<p>As requested at the October Pension Fund Committee meeting, a report will be submitted detailing the financial arrangements relating to the termination of the Capita contract for pension administration. The report will include reference to costs incurred by the pension fund due to poor performance by the administrator.</p> <p>Responsible officer: Head of Pensions</p> <p>Target date: 24 Feb 2021</p>
6	<p>Project risk register is not routinely reviewed and updated</p> <p>The project risk register should be a dynamic document that is routinely reviewed and considers the impacts downstream and where any further mitigation measures are required and updated throughout the duration of the project.</p>	Medium	Agreed.	<p>The finding will be considered as part of the formal project debrief and captured in the lessons learnt.</p> <p>Responsible officer: Project Director</p> <p>Target date: 31 January 2021</p>

	Summary Finding	Risk category	Management Response at 27 November 2020	Agreed action
7	<p>Workstream task list is not sufficiently detailed</p> <p>There is a risk that key project dependencies, tasks, reconciliations and sign offs may not be performed, and this may impact on the success of the administration transition.</p>	Medium	While the direction of the comments is accepted, the key mitigating factor is the frequency and coverage of the project transition meetings.	<p>See post transition report in the action plan for finding 6.</p> <p>To address the data gaps, see action plans for findings 1 and 2.</p>
8	<p>Instances of non-attendance at Project Board meetings by core Project Board members</p> <p>The project sponsor has not attended any of the Project Board meetings, and there are instances of low attendance by another Project Board member. This may indicate insufficient oversight and accountability, which may result in the benefits of the project not being realised.</p>	Medium	Agreed.	See formal project debrief and lessons learnt action plan in finding 6.

The pensions administration project commenced on 18 March 2020 but the project initiation document (PID) was not signed off by the Project Board until the 23 June 2020. The PID was further amended to incorporate changes to the High-Level Plan and re-signed off on 24 July 2020. The PID brings together all the key documentation needed to start and run the project and is typically signed off by the project sponsor before the project commences. As the PID has now been signed off no further action is required, and this has therefore not been raised as an action within the main report.

As detailed above, an action plan has been agreed with management. We will follow-up to confirm implementation and will report the outcome of our follow-up procedures to the Audit Committee.

2.2.2 COVID Transaction analysis Phase 1

Urgency of Review Terms		
Immediate Term (1 month)	Medium Term (3 – 6 months)	Long Term (6 – 12 months)
5	8	-

Background, Scope and Objectives

A Data Analytics review was undertaken as a risk mitigation tool and to maintain assurance over governance, risk and controls during the COVID response. Due to the physical and logistical restrictions in place due to COVID-19, there is a strong business case to use analytics in heightened risk areas, such as key financial controls, to provide timely and robust assurance over the Council's control environment in the longer term.

It was agreed to examine data within the Emergency Payment Procedures and Purchase Cards (Phase 1) processes for the last 12 months up to the project start date (July 2020), to see how current behaviour compares to 'business as usual' using data. The report details the full suite of testing for Phase 1 only. Following successful completion of Phase 1, data analysis has now commenced over Accounts Payable, Contractor Spend and Revenue Assurance – this is known as Phase 2 and the outcome will be reported to the next meeting of the Audit Committee.

This work was carried out remotely using PwC tools and technology to perform a series of analytics on the data, identifying potential exceptions and patterns through effective data visualisation to deliver the following benefits:

- Provide timely assurance over heightened risk areas arising from COVID-19.
- Deliver remote Council wide support by 'keeping the lights on' and ensuring that a strong control environment is maintained, requiring minimal input from supporting stakeholders.
- Identify control weaknesses, as well as opportunities for cost recovery and potential fraud.
- Prioritise key risk areas and plan activities that direct resource effectively based on results.
- Use this capability as a platform to build and grow an analytics capability within Internal Audit enabling repeat testing.

Outcome

The results of the analysis led to a number of areas relating to Purchase / Procurement Cards needing further review by Finance and Internal Audit. Those that were considered most urgent (i.e. requiring action within 1 month) have been summarised below.

1. High-Level Observations - Purchase/ Procurement Cards

A. Unusual Transactions

The analysis for unusual transactions tested the data extracts (card transactions March – July 2020) to examine whether transactions were made against unusual merchants (any merchant deemed as unusual for the use of a purchase card). Extending from this, the mapping from merchants to merchant categories was used to test transactions made against unusual merchant categories (for example, merchant category *Utilities*). Additionally, the transaction date of each purchase was tested to identify if transactions fell on weekends or public holidays (e.g. Good Friday).

Potential Impact: Expenditure on Purchase Cards may not be made for genuine business expenses, resulting in misuse or the misappropriation of Council funds. Management may not have sufficient oversight of expenditure incurred through Purchase Cards and are unable to prevent or identify inappropriate expenditure and usage.

A (i) Transactions against unusual merchants

The transactional data was scanned for seemingly unusual merchant names and the result returned the following vendors: Potters Bars Darts, Soundtrap, Sky Subscription, Watchshop, www.nikestore.com, ralphlauren.co.uk and Paypal. These transactions totalled £1,976 over 44 transactions (11 users).

It is not permitted for card holders to store details of their purchase card with a gateway supplier (i.e. online). Following testing design discussions with the Council, the data was scanned for merchants with 'top up' in their name. This could suggest card details have been stored online for automatic top ups of funds (for example, an Oyster card account). The results showed **10** transactions totalling **£170 (8 users)** where the transaction is likely to be a recurring top up.

A (ii) Transactions against unusual merchant categories

Similar to the test above, the data was scanned for seemingly unusual merchant categories and the results returned the following categories: category 'Utilities - electric, gas, heating oil, sanitary water' and 'Fines'.

There were 12 transactions made against the Utility category totalling £3.6k (6 users). The following merchants were mapped to the Utility category: British Gas, Castle Water, Meterpay.net top up, Southern Electric and Utility Warehouse.

There were 18 transactions made against the Fines category totalling £3.7k (5 users). The following merchants were mapped to the Fines category: HMCOURTS-SERVICE.G, LNER DRPU and MARSTON GROUP LIMITED.

A (iii) Transactions made on a non-business day

Upon testing the transaction dates of purchases, it was found that 19 transactions occurred on bank holidays, totalling £939 (13 users). Additionally, it was found that 187 transactions made at the weekend, totalling £9.5k (44 users, 65% of the total users). The month with the highest volume of weekend transactions is June (59 transactions, 32% of all weekend transactions) and the month with the highest value of weekend transactions is in March (£3.2k).

B. Potentially Non-Compliant Transactions

The analysis for potentially non-compliant transactions tested the data extracts (card transactions March – July 2020 and account level detail June 2020) against the P Card policy (London Borough of Barnet PCard Guide and T&C's v4). Key tests were to examine whether transactions were made against a restricted merchant and whether the appropriate blocks were applied to the cards at the account level in order to restrict this. Additionally, the single transaction limit for each card and the standard transaction limit (detailed in London Borough of Barnet PCard Guide and T&C's v4) was tested against the transactional data to examine whether card holders breached their limit.

Potential Impact: The Council's merchant and card limit controls are ineffective. They allow card holders to use purchase cards for non-compliant purchases, personal use or to commit fraudulent transactions

B (i) Transactions against restricted merchants

The merchant category for each transaction was mapped to a merchant category group (MCG) as per the P Card policy. From this, it was found that 46% of transactions (£137k, 85% of card holders) were mapped to a restricted MCG and therefore not compliant with the policy.

Further to this, MCG codes applied to purchase cards were compared to the restricted MCG codes. It was found that there is a misalignment between the two, with the majority of card holders having only two MCGs blocked on their card instead of the restricted 25, as per the policy.

B (ii) Card users breaching spending limits

Individual purchases per card holder were compared to the single transaction limit on their card. It was found that one card holder exceeded their single transaction limit once by £127.

The daily transaction count limit is set at 15 transactions per day. The number of purchases made per day per card holder were analysed and it was found that three card holders made more than 15 transactions in one day (totalling £1.7k).

2.2.3 SUMMARY OF AGREED ACTIONS AND OUTCOMES OF INTERNAL AUDIT REVIEW

2.2.3 (i) Actions for Finance (Immediate Term i.e. within 1 month)

Note: Where the actions are to be taken forward by Finance, we (Internal Audit) will revisit to confirm the appropriate action has been taken.

Area	Agreed Actions
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A - Unusual Transactions	<ol style="list-style-type: none"> 1. Finance to review the implementation of an exception reporting tool to identify potential inappropriate spend and investigate with budget holders - a response from budget holders is expected within 5 days. 2. Finance to use this analysis to review blocked merchants regularly and according to business needs.
B - Potentially Non-Compliant Transactions	<ol style="list-style-type: none"> 1. The P Card policy has been reviewed and is waiting to be finalised. The findings from this report will be used to strengthen the policy. 2. Reports to be run on a monthly basis and fed into PowerBI dashboard. Results to be provided to budget holders to review and monitor the compliance of transactions.

2.2.3 (ii) Actions for Internal Audit (Immediate Term i.e. within 1 month)

Internal Audit undertook a review of P-Card transactions included in the PwC Data extract which covered the period March to July 2020, in total 1232 P-Card transactions.

The 'immediate term' actions relevant to Internal Audit in the PwC report are summarised below:

The data analytics exercise undertaken by PwC identified P-Card transactions which were classified as follows:	Internal Audit Action
<p>A - Unusual Transactions</p> <p>A (i) Transactions against unusual merchants</p> <p>A (ii) Transactions against unusual merchant categories</p> <p>A (iii) Transactions made on a non-business day</p>	<ol style="list-style-type: none"> 1. Internal Audit to review transactions and communicate with budget holders, whilst updating Finance. 2. Internal Audit to investigate what constitutes as 'business rationale' with budget holders for the two-step approval process. <p>Target date: 11 January 2021</p>

2.2.3 (iii) Summary of Internal Audit review

We requested and reviewed supporting evidence for a sample of P-Card transactions - from 51 P-Card Card holders, covering 300 P-Card transactions. To address the actions allocated to Internal Audit in the PwC report, transactions identified for testing were split into the following categories by PwC:

1. Vendors most Transactions (the most commonly used vendors used by P-Card holders when purchasing)
2. Merchant Category most Transactions (the most commonly used merchant category used by P-Card holders when purchasing)
3. Unusual Vendors
4. Weekend and Bank Holiday Transactions
5. Duplicate Transactions (transactions identical in value on the same day)
6. Transactions applying to utilities
7. Transactions made via Paypal platform
8. Top-up transactions (transactions used to top up travel (Oyster) cards)
9. Transactions exceeding the daily limit allowed

The categories were sample tested as follows:

Worksheet	Population	Sample
Duplicates	124	35
Vendor Most Txns	394	49
Merchant Cat Most Txns	333	63
Unusual Vendors	27	27
Bank Holiday Txns	19	17
Weekend Txns	187	27
Merchant Cat - Utilities	12	12
Paypal Txns	35	35
Top Up Txns	15	10
Daily Txn Limit	86	25
Total	1232	300

To assess the **validity of transactions** we requested P-Card holders to provide supporting documentation and comment for each transaction as follows:

1. Reason for expenditure (business rationale)
2. Receipts/documentation relating to the expenditure (matching value, provider, item/service purchased and provider/vendor) and aligned with reason provided. Receipts need to be kept for 6 years in terms of Purchase Card Policy and Procedure v7 10/03/2020.
3. Details of the P-Card holder approver

To assess P-Card **governance and monitoring arrangements** we queried as follows:

1. Reasons for not attaching receipts in Integra (our initial interrogation of Integra to identify receipts/supporting documentation confirmed that P-Card holders were not attaching them in Integra). Attaching receipts is a requirement of the Purchase Card Policy and Procedure v7 10/03/2020.
2. Whether P-Card holders had been requested to independently validate their P-Card expenditure in any other instance/stage over the last 12 months. The P-Card Policy also require the P-Card Administration team to undertake “spot checks and investigations on card usage, including ensuring that cardholders are adhering to records management rules to be carried out at random intervals”
3. Whether P-Card procedure documents had ever been formally provided to P-Card holders, including where they were located, for referral, if necessary
4. Whether P-Card training was provided/offered, when the officer became a P-Card holder or thereafter

Transactions were **allocated to CAFT for further review** if any one of the following circumstances was noted:

1. Where the P-Card holder did not provide a response to the initial request after chasing P-Card holder for a response (CAFT to request and review response),
2. Where P-Card holder made the payment on behalf of a service user, for example paying the utility bill or making a top-up payment of a service user account (CAFT to confirm that the payment was made on behalf of a genuine Council service user),
3. If the receipt/supporting documentation did not match the P-Card payment data details in full, so value, date, supplier and item (CAFT to re-review documentation and confirm transaction with the P-Card holder manager),
4. Where the P-Card holder did not stipulate the approver of the transaction in the response to Internal Audit (CAFT to confirm transaction with the P-Card holder manager). **Note:** We accept that approval is embedded in the P-Card process as approval is required prior to the coding transactions in Integra when P-Card transactions are downloaded for disbursement/clearing subsequently monthly.

2.2.3 (iv) Summary of Internal Audit findings

Generally, the responses by P-Card holders relating to the reason/business rationale together with the supporting documentation have not raised any significant concerns. We have however referred 95 of the 300 transactions to CAFT for further review in line with the above rationale and to raise awareness amongst P-Card holders that P-Card payments are subject to independent review.

Our review confirmed the following 7 findings which relate to potential process improvements over the use of P-Cards. We have suggested actions to address the findings and are currently agreeing these with Finance, who prior to this review had already started work on updating the Purchase Cards policy. This review is now informing those revisions to the policy.

1. Vouching of unusual and duplicate P-Card transactions and transactions in excess of the daily transaction limit

While P-card holders were generally able to provide business rationale for each transaction, supporting documentation /receipts supporting were not always retained by P-Card holders for referral. In this regard, receipts were not provided in 40/300 (13%) and receipts provided were considered insufficient in 23/300 (8%) instances.

- Receipts were not attached in Integra by 42/51 (82%) of P-card holders as generally they were not aware of the functionality in Integra to do so.
- Retaining and attaching receipts are requirements of P-Card policy and procedures.
- 95 transactions have been referred to CAFT for further review as they met the criteria referred to above.

Findings have been discussed with Finance and draft actions are as follows:

- The P-Card policy will be updated and communicated to all P-Card holders to raise awareness of the requirements to retain receipts sufficient to supporting P-Card purchasing and uploading them to Integra. All P-Card holders will be required to confirm their receipt and understanding of the policy requirements through formal sign-off.
- Finance also plan to roll out a new system called Smart Data Online to manage the processing of P-Card purchases. P-Card holders will be trained in the use of the system which will also include the uploading of P-Card receipts to this platform. In the interim receipts will be attached in Integra.

2. Independent P-Card audits by Finance

Of 51 P-card holders queried, 35/51 (69%) P-card holders could not recall an independent audit. Only 1 P-card holder was able to recall an independent audit in the last 12 months. Our view therefore is that there is scope for increasing the current level of independent auditing.

Findings have been discussed with Finance. The plan is to transfer responsibility for P-Card audits to budget managers in Services. The process will be supported by Finance who will provide monthly reports - focussing on potentially non-compliant P-Card transactions from the new system Smart Data Online - to Service Management for them to check. Services will be required to respond to Finance confirming their review of the monthly reports within 5 working days. The P-Card policy will be updated and communicated to all P-Card holders who will be required to formally confirm their understanding of requirements through sign-off.

3. Raising awareness of P-card use policy (communication of procedures and training)

The main P-card procedures governing P-card usage are:

- Purchase Card Policy and Procedure v7 10/03/2020.
- LBB Purchasing Card (P-Card) Guide and Terms and Conditions v4
- Purchasing Card disbursement procedures for card holders

Of 51 P-card holders queried, 31/51 (61%) P-Card holders were not aware of related P-Card procedures and 35/51 (69%) of P-Card holders had not been offered P-Card related training. There was therefore scope for improving arrangements for raising awareness of the P-Card policy amongst the P-Card holder community.

Findings have been discussed with Finance. Finance will update the P-Card policy (final approval to be provided by the Director of Finance) and communicate it to all P-Card holders. P-Card holders will be required to sign-off confirming their receipt and understanding of the policy within 6 weeks of receipt.

Training on the P-Card Smart Data Online platform which will be used for managing the P-card process and reporting related P-Card data will be provided to all P-Card holders.

4. Utility payments

Regarding utility payments, we undertook the review to assess whether Management should utilise the analysis to update the list of blocked merchants.

Of 12 utility payments, 5/12 related to payments of the Council utility bills (Castle Water and British Gas) which should have been paid through the Accounts Payable three-way match of purchase order, goods receipts and vendor invoice. The P-Card holders indicated that the P-Card payment route was easier while working from home during Covid to ensure prompt payment. For 7/12 payments, P-card holders paid the utility bill of a Council service user, for example paying the utility bill of families having no recourse to public funds.

Our view is the Purchase Card (P-Card) Administration Team will need to investigate whether/how merchant categories relevant to utility expenses should/may be blocked.

The finding has been discussed with Finance. Consideration will be given to allow P-Cards to be used to pay utility bills given its practicality from a business perspective and because no rationale is evident for restricting the use of this merchant category.

5. Top-up transactions

The Purchase Card Policy and Procedure v7 10/03/2020 stated as follows:

“You must not register your P-cards details on any type of site or portal that retains card information for future use. Examples of this include PayPal accounts and the ‘auto top up’ function of an Oyster card and organisations that require you to set up a card account. Individual transactions where you are required to enter your card details each time are permitted for these types of sites.”

Of 10 top-up payments tested, for 7/10, the P-Card details were registered with TFL for automated Oyster payments (Libraries Service) and to pay Mayoral car congestion charge to process payments automatically via the site as they liability arose.

There was therefore scope for improving arrangements for raising awareness of the requirement not to register P-Card details on sites/portals amongst the P-Card holder community.

The finding has been discussed with Finance. Consideration will be given to allow P-Cards to be used to for automated top-up transactions as there are occasions when this makes sense from a business perspective. Budget managers will decide whether P-cards may be used for top-up transactions. P-Card policy and procedures will be updated and communicated to P-Card holders placing the onus on budget managers to maintain a log of such transactions and to carefully check transactions charged to P-Cards to mitigate the risk of P-Card details saved on portals/websites being used in error.

6. P-card transactions exceeding the daily transaction limit

LBB Purchasing Card (P-Card) Guide and Terms and Conditions v4 stated as follows:

“Daily Transaction Count Limit

The total number of transactions allowed per day.

The current limit is set at 15 transactions per day.”

We queried 3 P-card holders identified by PwC as exceeding the number of P-card transactions allowed under the daily limit. In all 3 cases the P-Card holder confirmed that there was no automatic rejection of their transactions, they simply proceeded with purchasing. One P-Card holder indicated that she was only aware of a value limit applied to her P-Card.

Therefore, the daily P-Card limit did not appear to be operating/configured in the system. The Purchase Card (P-Card) Administration Team will need to investigate the implementation of the daily limit in the system.

The finding has been discussed with Finance who are considering removing the requirement for a daily transaction limit to be applied to P-Cards as value limits applied to P-Cards serve as an adequate control for limiting expenditure that can be raised by P-Card holders.

7. Paypal transactions

The Purchase Card Policy and Procedure v7 10/03/2020 stated as follows:

“You must not register your P-cards details on any type of site or portal that retains card information for future use. Examples of this include PayPal accounts and the ‘auto top up’ function of an Oyster card and organisations that require you to set up a card account. Individual transactions where you are required to enter your card details each time are permitted for these types of sites.”

For 32/35 (91%) of Paypal transactions tested, P-Card holders indicated that P-Card details were registered on the site/portal. One P-card holder indicated that she was directed to Paypal when purchasing on E-Bay however could not confirm whether P-card details were registered on the portal/site.

There was therefore scope for improving arrangements for raising awareness of the requirement not to use E-Bay and Paypal amongst the P-Card holder community.

The finding has been discussed with Finance. Consideration will be given to allowing P-Cards to be used for Paypal transactions should budget managers wish to do so. P-Card policy and procedures will be updated and communicated to P-Card holders placing the onus on budget managers to maintain a log of such transactions and to carefully review transactions charged to P-Cards to mitigate the risk of P-Card details saved on portals/websites being used in error.

3.0 Progress against plan

The table below represents a summary of the work that we have completed during the period 1st October 2020 to 31st December 2020 or that is currently underway.

Stage	Name of review	Report classification	Total findings	Ratings				
				Critical	High	Medium	Low	Advisory
Phase 2 (Q3) – 1st October 2020 to 31st December 2020								
Complete	COVID 19 Response and Recovery - Realtime Transaction Analysis (Phase 1)	N/A	13	Immediate Term (1 month) 5			Medium Term (3 – 6 months) 8	
Complete	Pensions Administration Governance Transition	N/A	10		4	4	2	-
Complete	Land Charges – Review of Planning Data Controls and Policies	Limited	2	-	2	-	-	-
Complete	Edgware Primary School	Reasonable	5	-	1	2	2	-
Complete	Menorah High School for Girls	Reasonable	8	-	-	5	3	-
Complete	Dollis Primary School	Reasonable	7	-	-	4	3	-
Complete	Decision making framework - compliance	Substantial	1	-	-	-	1	-
Complete	Barnet Group - Contractual/Governance arrangements - Advisory	N/A	9	-	-	-	-	9

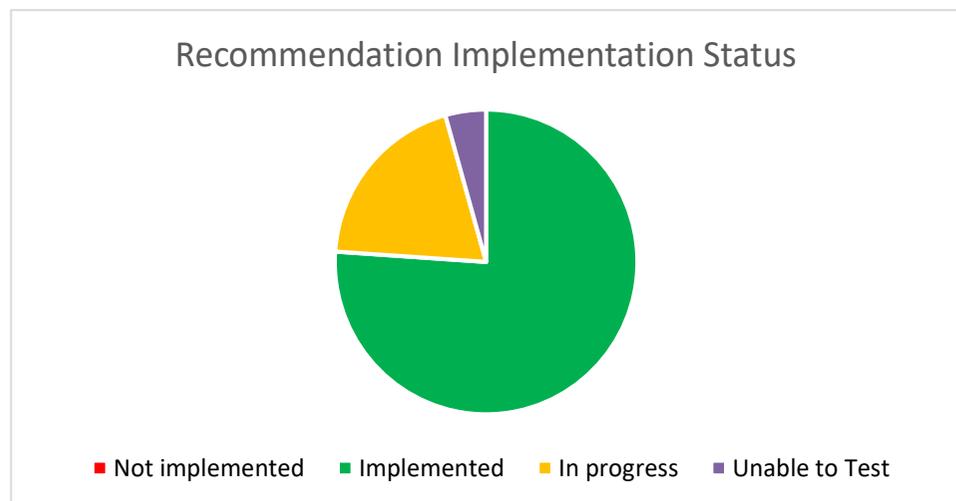
Complete	Troubled Families - Payment by Results Q3	N/A						
Complete	Disabled Facilities Grant 18/19 (Deferred)	N/A						
Complete	Disabled Facilities Grant 19/20	N/A						
Draft Report	Frith Manor School	TBC						
Draft Report	Procurement - Compliance with Contract Procedure Rules (CPRs)	TBC						
Draft Report	Direct Payments – Data Analysis	TBC						
Fieldwork	Waste - Health & Safety	TBC						
Fieldwork	Integra Issue Management	TBC						
Fieldwork	Parking - PCN Cancellations	TBC						
Fieldwork	Finance Global Design Principles (FGDP) - General Ledger	TBC						
Fieldwork	FGDP - Budget Monitoring	TBC						
Fieldwork	FGDP - Fixed Assets	TBC						
Fieldwork	FGDP - Accounts Receivable	TBC						
Fieldwork	COVID 19 Response and Recovery - Realtime Transaction Analysis (Phase 2)	TBC						
Fieldwork	Adults Debt Recovery	TBC						
Planning	CDM Regulations	TBC						

Planning	Managing Systems Access Rights	TBC						
Planning	FGDP - Accounts Payable	TBC						
Planning	FGDP - Cash and Bank	TBC						
Planning	Brent Cross Regeneration Project	TBC						
Planning	Highways Health and Safety Deferred to 2020/21 as agreed with the service to enable them to focus on improvement plan	TBC						
Planning	BELS Governance arrangements	TBC						
Planning	Urgent Care demand - Advisory	TBC						
Planning	Estates Compliance	TBC						
Planning	Premises Licensing and Gambling	TBC						
Planning	COVID19 Grants Allocations – Assurance Review	TBC						
Changes to Published 2020/21 Plan								
Added to Plan	Equalities – Recruitment and Retention As part of the Equalities, Diversity & Inclusion action plan we have committed to undertaking at least one audit a year relating to Equalities.							
Deferred	Cyber Essentials Follow-up The Cyber Essentials framework is covered by PSN Essentials which will be reviewed as part of contractual obligation							

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, in progress or not implemented.



4.2 Outstanding actions

4.2.1 During this period we followed up 7 high priority and 39 medium priority actions due by 31st December. One high priority and 34 medium priority actions were found to be implemented. 2 high actions could not be tested as conditions for implementation were not in place. We have added a new category 'Unable to Test' to the section below, shaded purple, to identify those actions where the control did not operate in the quarter, therefore we could not confirm implementation of the agreed action. The remaining 4 high and 5 medium actions were found to be in progress.

* 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)

4.2.2 Outstanding high priority actions

	Name of report	Agreed Action	Status (Not Implemented / In Progress / Unable to Test)	Owner	Due Date	Slippage*
Strategic Director: Director of Finance						
1	Pension Fund Finance and Investment July 2019	a) We will promptly complete admission agreements, cessation agreements and renewals of admission bonds for all employers identified in the report to the Pension Fund Committee on 30 May 2019 to minimise risk to the Fund.	<p>Work continues on Admissions, Bonds and Cessations. Officers are working with Capita where data is still outstanding from them and was not provided by 31 October 2020. Admission Agreements for a small number of admitted bodies are in the process of being signed.</p> <p>For new Admissions or Cessations, West Yorkshire Pension Fund will be asked to provide the data to the Fund Actuary.</p> <p>Revised target date: 31 March 2021</p>	<p>Revised: Pensions Manager</p> <p>Originally: Head of Treasury</p>	30/9/2019	5
Strategic Director: Deputy Chief Executive						
2	Investing in IT – Lessons Learned (Portfolio and Project Management) May 2019	<p>Non-IT Projects</p> <p>The arrangements for ensuring that there is an appropriate and proportionate level of corporate oversight and</p>	<p>Unable to test - Status unchanged from AC October 2020, new post Covid target 31 March 2021</p> <p>Previous status: In progress – Reasonable Progress made</p> <p>There is a current review of Corporate Programme Framework which includes IT and Non-IT Projects. This will result in updated Project Management Guidance and templates, better oversight of key projects across the organisation, and regular reports to CMT.</p>	Director of Commercial	31 March 2021	5

		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.	The review was paused as a non-essential area of work during CV19. It is due to be re-started now that we are returning to BAU, dependent on the availability of resources.			
3	Highways Programme August 2019	b) 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	<p>Q3 2020 – Unable to test - There have been no payments since our last testing and therefore we cannot test evidence to confirm implementation status.</p> <p>A number of payments are due to be approved soon but the work has not yet been 'goods received'. We await the payments to be made before we can confirm payments have been appropriately authorised by the Client Lead. We will return at the end of January to confirm status; if completed before Audit Committee on 28th January a verbal update will be given.</p> <p>Previous status: In progress – Reasonable Progress made</p> <p>Further action for full implementation: Evidence required that work has not been goods</p>	Commercial Performance & Dev Manager	31/12/2019	4

		minimum documentation which will be on file to support the payments	received by LBB Commercial before the necessary authorisation is on file and the requirements of the Highways SPIRS protocol and the SPIR document have been met.			
Strategic Director: Executive Director – Adults and Health						
4	Adults Safeguarding June 2020	3. Management will engage with HR-Learning and Development to devise a system to ensure that training records are tracked and collated	<p>In progress – Substantial Progress made</p> <p>We considered that substantial progress has been made regarding this action.</p> <p>Management confirmed that implementation was previously planned for September but due to the response to the pandemic there has been a delay; however, a Learning Management System (LMS) has been devised to support monitoring of staff training which will remove the need for spreadsheets and enhance the quality of training records.</p> <p>We were provided with a document entitled <i>Learning Pool: Learning Management Catalogue Modules</i> which listed a number of courses relating to safeguarding for Adults Social Care. Management confirmed that these courses would be available on the LMS once it is live.</p> <p>A soft launch is planned for mid-January 2021 and a full launch planned for the end January 2021.</p> <p>Further action for full implementation:</p> <ul style="list-style-type: none"> The LMS will be implemented <p>Revised Implementation Date: 28 February 2021</p>	Head of Localities, Adults and Health	31/7/2020	2

5	Adults Safeguarding June 2020	5. Management will devise a mechanism to ensure that managers are aware when training requirements set out in action (a) are not being met.	<p>In progress – Substantial Progress made</p> <p>We considered that substantial progress has been made regarding this action.</p> <p>In Q1, 2020/21, we reported that management had clearly articulated expectations regarding safeguarding training, this had been communicated to staff within Adults Social Care and with managers asked to ensure compliance; however, we noted that there was not a process in place to proactively detect where staff had not completed required training and to remind them to do so.</p> <p>This quarter (Q3, 2020/21) we were informed that managers can be set up to receive regular reports on training their team members have completed within the LMS. Management also confirmed that they envisaged that reports should be able to be set up to make managers aware of where training requirements are not met (e.g. a report which will highlight mandatory training awaiting completion).</p> <p>We noted as yet that the arrangements had not been formally agreed or set up within the LMS, which is set for a full launch in January 2021.</p> <p>Further action for full implementation:</p> <ul style="list-style-type: none"> Management will formally agree a mechanism to ensure managers become aware of where mandatory training requirements have not been met. <p>Revised Implementation Date: 28 February 2021.</p>	Head of Localities, Adults and Health	31/7/2020	2
Strategic Director: Director of Assurance						
6	Domestic Violence	The Community	In Progress – Substantial Progress Made	Community Safety Manager with support	24/1/2020	3

November 2019	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.	<p>Records and Information Management Team, with CST, have been putting together a pan-London ISA for the Metropolitan Police, which has been drafted by a small working group made up from the police, local authority and health professionals. The next step is for the Met Police to sign off the ISA and the working group is working with the police towards this aim. It is hoped that this will be signed off by the police within Q4, Jan - Mar 2021.</p> <p>Regarding the other signatories to the Barnet Community Safety Partnership ISA, the ISA has now been signed by 15 partners. One signature remains outstanding and the Domestic Abuse Strategy Manager is arranging to meet with them at the earliest opportunity to resolve the matter.</p>	from Information Strategy Manager		
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4.2.3 Outstanding medium priority actions

	Audit Title	Audit Date	Ref	Finding	Action	Responsible officer	Due date	Progress report for Audit Committee 28 January 2021	Status at Q3
1	Cash and Bank	21/01/2020	7a	Documented Procedures	Cash Book a) Documented procedures will define all responsibilities relating to the bank reconciliation review, including the monitoring of unallocated items and the	Assistant Finance Manager, Cashbook	01/03/2020	<p>A bank reconciliation template specifying the Council's main, Treasury and Schools bank accounts for reconciliation was circulated to the responsible Finance officers for completion as follows:</p> <ul style="list-style-type: none"> - frequency of reconciliation, - reviewer, - approver and - the reconciliation procedure <p>The completed bank reconciliation template had not been provided to</p>	Substantial progress

					maximum period for bank transactions to remain unallocated			us for review at the date of the Audit Committee Report.” Follow up 31 March 2021	
2	Key Financial System (KFS) General Ledger	29/06/2020	2c	Control Account Reconciliation	2c. An electronic signature approach will be introduced to enable authorisers to sign off / authorise all reviewed reconciliations. The system will be appropriately controlled to ensure that the authoriser's signature would be removed if any further changes were made to the reconciliation after it was authorised	Chief Accountant	30/06/2020	Capita IT working with Finance Manager – Financial Systems and Controls to a obtain a quote for the required number of users. Follow up 31 March 2021	In progress – substantial progress
3	Schools' Payroll	29/04/2020	2	User access termination process effectiveness. If operations run in a context of potential risk of segregation of duties and without a	2. The process agreed with IT will be enforced to ensure that the terminated user's system access is removed immediately. Capita will	Business Manager Carlisle, Capita	31/05/2020	I-Trent is the system used for schools' payroll processing for the Council. As reported to the October Audit Committee, we have evidenced the process for the prompt deactivation of school staff leavers who had system user access.	Partly Implemented

				<p>single sign-on policy, then un-terminated users increase the exposure to errors and unauthorised transactions.</p>	<p>communicate with IT in advance of the user's final day to ensure that IT have enough time to set up the system to remove the user's access in a timely manner. Capita management will obtain written confirmation from IT on the termination date that the user account has been closed, along with a system screenshot to support it.</p>			<p>We have seen sufficient evidence that current users with access to the system are appropriate.</p> <p>CSG Schools Payroll management are aware of the GDPR risk posed by leavers not being de-activated promptly in I-Trent. I-Trent user access reviews were undertaken by CSG Schools Payroll management. I-Trent access lists were reviewed by the HR Excellence Manager (Carlisle) and the Business Manager (Orpington) to ensure/verify that access by CSG Schools Payroll users undertaking payroll processing was appropriate. The review also confirms that staff who had previously left school's payroll processing are not on the I-Trent user access list. The reviews were signed off by both managers as evidence of the check.</p> <p>As of yet we have been unable to evidence the prompt deactivation of Capita employees – responsible for the Barnet Schools Payroll - who had end user access in the system once they had left Capita as there has been no sample data to test in the period (nobody left in Q3).</p> <p>Once we are able to evidence the prompt de-activation of system accounts of Capita employees who have left the organisation, we will consider the action fully implemented.</p> <p>Follow up in March 2021.</p>	
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4	Public Sector Equality Duty compliance	01/09/2018	2d	<p>Equalities policies and published information (operating effectiveness) If equalities policies and supporting documentation are not up to date and regularly reviewed, staff and residents may not be aware of the current equalities position at the Council, or of any requirements they need to meet to support the Council to meet the requirements of the PSED.</p>	<p>d) The Staff Equalities Statement will be reviewed and updated as necessary, and version control information will be retained within the document including a schedule for future reviews. The review will include clearly identifying roles, responsibilities and a schedule for ensuring that the equalities action monitoring described in the document is carried out.</p>	Staff Equalities Steering Group Chair	31/7/2019	<p>Consultation concluded in December 2020. Formal feedback is set to be provided in Feb 2021, at which point the council will likely enact EDI policy. HR will then review which documents will be covering information regarding EDI and decide on the precise format in line with the corporate EDI policy and council's equality plan.</p> <p>Follow up in March 2021.</p>	In Progress
5	Public Sector Equality Duty compliance	01/09/2018	2e	<p>Equalities policies and published information (operating effectiveness) If equalities policies and supporting documentation are not up to date and</p>	<p>e) A wider review of HR policies is underway. This review will ensure that policies which impact on equalities are up to date and reflect current Council</p>	Assistant Director – Human Resources & Organisational Development	30/9/2019	<p>Policies are being reviewed in the areas of disciplinary, grievances and absence management. As at early January, all three aforementioned policies have been shared with trade unions as part of usual consultation machinery. The three policies have been additionally shared with colleagues from BEA who will offer feedback that is specific to the EDI agenda. The council also plans to</p>	In progress

			regularly reviewed, staff and residents may not be aware of the current equalities position at the Council, or of any requirements they need to meet to support the Council to meet the requirements of the PSED.	practices and relevant legislation. Strategic HR will ensure all revised and new HR policies from January 2019 will be subject to an EIA before approval			<p>carry out EIAs prior to enacting the revised policy. It is expected that these three revised policies will be enacted by the end of this financial year.</p> <p>Further policies to be reviewed in the near future including flexible working which has obvious links to the council's priority of inclusion.</p> <p>Progress to be reviewed 31 March 2021</p>	
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4.3 Completed actions

4.3.1 During this period we followed up 1 high priority and 34 medium priority actions which are deemed to have been implemented, superseded or closed. These are listed below:

4.3.2 Completed high priority actions

	Name of report	Agreed Action	Owner	Due Date	Slippage*
Strategic Director: Director of Finance					
1	Accounts Receivable January 2020	<p><u>Invoicing processing</u></p> <p>Finance have provided evidence of bulk invoices approval for other teams and evidence provided in addition to those provided on 18/9/2020 are adequate and confirmed that bulk invoices are approved by senior officers in accordance with the agreed action. Therefore, this agreed action is considered implemented and closed.</p>	All invoicing teams across the Council and its partners.	31 January 2020	2

4.3.3 Completed medium priority actions

	Audit Title	Audit Date	Ref	Finding	Action	Responsible officer	Due date
1	Housing Benefits	28/09/2020	1a	Discretionary Housing payments – Assessment Process lack of administrative control	DHP team will put administrative controls in place to ensure that all applications received are stamped, signed and dated. Monitoring of time taken should commence from the date received, i.e. the stamp date.	Operations Manager (Capita)	30/09/2020
2	Housing Benefits	28/09/2020	1b	Discretionary Housing payments – Assessment Process - Signing of HB Application	DHP team will ensure that all applications are signed by the applicants or their agents before the application is processed.	Operations Manager (Capita)	30/09/2020
3	Housing Benefits	28/09/2020	1c	Discretionary Housing payments – Assessment Process - Delay in decision making	The benefit processing team will ensure that decisions on DHP are made on a timely basis after necessary information and documents have been provided by prospective applicants to ameliorate applicants' hardship.	Team Leader - Discretionary Housing (Capita)	30/09/2020
4	Housing Benefits	28/09/2020	2a	Housing Benefits Payments – BACs Analysis-BACS return Correction and reconciliation	BACs return correction/ reconciliation is carried out weekly to reduce the risk of fraud.	Operations Manager (Capita)	30/09/2020
5	Housing Benefits	28/09/2020	2b	Housing Benefits Payments – BACs Analysis-BACS reconciliation approval	BACs return correction/ reconciliation spreadsheets will include documented approval by an appropriate authorised person to evidence that the spreadsheet has been independently checked for accuracy.	Operation Manager (Revenue)	30/09/2020

6	Housing Benefits	28/09/2020	2c	Housing Benefits Payments – BACs Analysis-Error correction Procedure	Process for correcting BACs returns errors should be documented taking into consideration controls required for the electronic spreadsheet correction / reconciliation process planned from March 2020.	Operation Manager (Revenue)	30/09/2020
7	Housing Benefits	28/09/2020	3a	Overpayments – Detection and recoupment- Training Requirement	The HB team will re-train members of staff and put stronger controls in place to reduce errors and mistakes leading to overpayments and ensure any information	Operations Manager (Capita)	30/09/2020
8	Housing Benefits	28/09/2020	3b	Overpayments – Detection and recoupment- Change of circumstances management	The HB team will revisit and review how claimants are informed of their responsibility to make change of circumstances known to the Council including the application of punitive actions for not responding to the Council's request.	Operations Manager (Capita)	30/09/2020
9	Housing Benefits	28/09/2020	3c	Overpayments – Detection and recoupment- Repayment Plan	A repayment plan will be put in place for the outstanding overpayment (one of these related to a deceased tenant but recovery from the Housing Association could be considered).	Operation Manager (Revenue)	30/09/2020
10	Housing Benefits	28/09/2020	4	Overpayments - Bad Debt Write-off	The HB team will ensure that all long overdue bad debts are processed for write-off to certify that the account balances are accurate and correct on a timely basis.	Operations Manager (Capita)	30/09/2020
11	Housing Benefits	28/09/2020	5a	Appeal Process -Reduction of delay	Management will review the current process and introduce changes to reduce inherent delays in the appeal process.	Contract Manager (Capita)	30/09/2020

12	Housing Benefits	28/09/2020	5b	Appeal Process - Amendment of automated reply	Management will investigate whether system changes can be made to automated replies to the appeals in-box.	Appeals Manager (Capital)	30/09/2020
13	Housing Benefits	28/09/2020	5c	Appeal Process - Clearing of appeal backlog	The appeal team will ensure that appeals backlogs are cleared, and claimants are informed of the outcomes.	Appeals Manager (Capital)	30/09/2020
14	Housing Benefits	28/09/2020	6a	Benefit Fraud- Pass-wording of Spreadsheet	Management will ensure that access to the fraud electronic register is restricted with ID and password.	Operations Manager (Capita)	30/09/2020
15	Housing Benefits	28/09/2020	6b	Benefit Fraud - Fraud Training Requirement	Training will be provided for members of staff to enable them to perform optimally.	Operations Manager (Capita)	30/09/2020
16	Housing Benefits	28/09/2020	6c	Benefit Fraud- CAFT support Requirement	CAFT will support any future training with regards Council Tax fraud.	HB Team	30/09/2020
17	Housing Benefits	28/09/2020	6d	Benefit Fraud- NFI delivery date target	A target delivery date or deadline will be put in place for NFI investigations to ensure timely delivery, early detection and to maximise the potential recovery of benefits' frauds.	LBB's CAFT team	30/09/2020
18	Housing Benefits	28/09/2020	6e	Benefit Fraud- Passing Tax Fraud to CAFT	The HB team will ensure that all potential council tax fraud elements of the NFI are forwarded to the CAFT.	LBB's CAFT team	30/09/2020
19	Housing Benefits	28/09/2020	7a	Process and procedures – Access to obsolete documents -Version Control of Policies and procedures	The housing benefits policies will be version controlled to eliminate confusion.	Operations Manager (Capita)	30/09/2020
20	Housing Benefits	28/09/2020	7b	Process and procedures – Archiving of obsolete documents	An archiving exercise started to ensure out of date policies are out of circulation will be concluded by the end of June to ensure they cannot be accessed.	Operations Manager (Capita)	30/09/2020

21	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
22	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
23	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
24	Schools' Payroll	29/04/2020	1	Segregation of Duties. If users have multiple system functional roles and/or types, then the operations are exposed to the risk of override of controls and unauthorised transactions.	1. We will review the allocation of system roles among the current users to reduce potential conflicts to a minimum and will identify compensating controls for the conflicts that cannot be removed. We will add and remove user access permissions as and when required.	Business Manager Carlisle, Capita (left Capita) HR Excellence Manager Capita Employee Solutions	31 May 2020

25	Public Sector Equality Duty compliance	01/09/2018	1a	<p>Strategic Equality Objective and Annual Equalities Report (control design and operating effectiveness) The Equality Act states that "a listed authority (including schools and pupil referral units) must publish one or more equality objectives that it thinks it needs to achieve to further the aims of the general equality duty... The objectives must be specific and measurable." Barnet Council's Strategic Equalities Objective (SEO) published within its 2015-2020 Corporate Plan is "That citizens will be treated equally, with understanding and respect, and will have equal access to quality services which provide value to the tax payer." The following issues were noted:</p> <ul style="list-style-type: none"> • The Public Sector Equality Duty (PSED) states that equalities objectives should be updated at least every four years. While the Council's Strategic Equality Objective was confirmed as part of the Corporate Plan for 2015-2020, the Corporate Plan says that the Council will monitor progress against the Strategic Equality Objective (SEO) using indicators drawn from the Corporate Plan Technical Annex. Specific indicators from the Annex for monitoring were last agreed at Cabinet Resources Committee on 24 June 2013. These should have been reviewed at least once in the intervening period to meet the requirements of the PSED. • A comparison of the indicators 	<p>The indicators used to demonstrate progress against the SEO will be fully revised as part of the current drafting process for the Corporate Plan for 2019-24, which includes a review of the SEO and the design of appropriate measurement criteria. These criteria will be defined to ensure that reporting is against specific, measurable parameters and reported comparably year on year. Baselines, proposed outcomes and measurement criteria will be documented in detail to allow progress against them to be reported clearly.</p>	Community Engagement Partner	31/3/2019
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			<p>agreed at Cabinet Resources Committee on 24 June 2013 to the Equalities Annual Report and the Cumulative Equalities Impact Assessment (CEIA) shows that the vast majority of the indicators agreed are not directly reported on. Where they are touched on (in the CEIA), no breakdown is provided by protected characteristics, as agreed within the indicators. Management have stated that the CEIA will not be produced in future years, and it is not yet clear where SEO indicators will be reported on.</p> <ul style="list-style-type: none">• Some of the measures (particularly those agreed at delivery unit level) are not detailed enough about baselines, proposed outcomes and measurement criteria to allow progress against them to be reported against. As a result, the Council's Strategic Equality Objective does not currently meet the requirement that it should be "specific and measurable".• The Annual Equalities Report includes an Equalities Action Plan. We noted that there is no reporting on the outcome of the prior year action plan, meaning that it is not possible to use this as a means of tracking compliance with the PSED. Management confirmed that the Annual Equalities report for 17/18 to be published in December '18 includes data on indicators and now also includes a table of progress against the previous year's action plan.			
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26	Public Sector Equality Duty compliance	01/09/2018	1c	<p>Strategic Equality Objective and Annual Equalities Report (control design and operating effectiveness) The Equality Act states that "a listed authority (including schools and pupil referral units) must publish one or more equality objectives that it thinks it needs to achieve to further the aims of the general equality duty... The objectives must be specific and measurable." Barnet Council's Strategic Equalities Objective (SEO) published within its 2015-2020 Corporate Plan is "That citizens will be treated equally, with understanding and respect, and will have equal access to quality services which provide value to the tax payer." The following issues were noted:</p> <ul style="list-style-type: none"> • The Public Sector Equality Duty (PSED) states that equalities objectives should be updated at least every four years. While the Council's Strategic Equality Objective was confirmed as part of the Corporate Plan for 2015-2020, the Corporate Plan says that the Council will monitor progress against the Strategic Equality Objective (SEO) using indicators drawn from the Corporate Plan Technical Annex. Specific indicators from the Annex for monitoring were last agreed at Cabinet Resources Committee on 24 June 2013. These should have been reviewed at least once in the intervening period to meet the requirements of the PSED. • A comparison of the indicators 	<p>An assessment of performance against the SEO will be reported at least annually, and management will use the Annual Equalities Report to do this if the CEIA is no longer produced.</p>	Community Engagement Partner	From June 2019
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			<p>agreed at Cabinet Resources Committee on 24 June 2013 to the Equalities Annual Report and the Cumulative Equalities Impact Assessment (CEIA) shows that the vast majority of the indicators agreed are not directly reported on. Where they are touched on (in the CEIA), no breakdown is provided by protected characteristics, as agreed within the indicators. Management have stated that the CEIA will not be produced in future years, and it is not yet clear where SEO indicators will be reported on.</p> <ul style="list-style-type: none">• Some of the measures (particularly those agreed at delivery unit level) are not detailed enough about baselines, proposed outcomes and measurement criteria to allow progress against them to be reported against. As a result, the Council's Strategic Equality Objective does not currently meet the requirement that it should be "specific and measurable".• The Annual Equalities Report includes an Equalities Action Plan. We noted that there is no reporting on the outcome of the prior year action plan, meaning that it is not possible to use this as a means of tracking compliance with the PSED. Management confirmed that the Annual Equalities report for 17/18 to be published in December '18 includes data on indicators and now also includes a table of progress against the previous year's action plan.			
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27	Public Sector Equality Duty compliance	01/09/2018	1d	<p>Strategic Equality Objective and Annual Equalities Report (control design and operating effectiveness) The Equality Act states that "a listed authority (including schools and pupil referral units) must publish one or more equality objectives that it thinks it needs to achieve to further the aims of the general equality duty... The objectives must be specific and measurable." Barnet Council's Strategic Equalities Objective (SEO) published within its 2015-2020 Corporate Plan is "That citizens will be treated equally, with understanding and respect, and will have equal access to quality services which provide value to the tax payer." The following issues were noted:</p> <ul style="list-style-type: none"> • The Public Sector Equality Duty (PSED) states that equalities objectives should be updated at least every four years. While the Council's Strategic Equality Objective was confirmed as part of the Corporate Plan for 2015-2020, the Corporate Plan says that the Council will monitor progress against the Strategic Equality Objective (SEO) using indicators drawn from the Corporate Plan Technical Annex. Specific indicators from the Annex for monitoring were last agreed at Cabinet Resources Committee on 24 June 2013. These should have been reviewed at least once in the intervening period to meet the requirements of the PSED. • A comparison of the indicators 	<p>The Annual Equalities Report will include an assessment of outcomes against the prior year's Equalities Action Plan.</p>	<p>Community Engagement Partner</p>	<p>1/11/2018</p>
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			<p>agreed at Cabinet Resources Committee on 24 June 2013 to the Equalities Annual Report and the Cumulative Equalities Impact Assessment (CEIA) shows that the vast majority of the indicators agreed are not directly reported on. Where they are touched on (in the CEIA), no breakdown is provided by protected characteristics, as agreed within the indicators. Management have stated that the CEIA will not be produced in future years, and it is not yet clear where SEO indicators will be reported on.</p> <ul style="list-style-type: none">• Some of the measures (particularly those agreed at delivery unit level) are not detailed enough about baselines, proposed outcomes and measurement criteria to allow progress against them to be reported against. As a result, the Council's Strategic Equality Objective does not currently meet the requirement that it should be "specific and measurable".• The Annual Equalities Report includes an Equalities Action Plan. We noted that there is no reporting on the outcome of the prior year action plan, meaning that it is not possible to use this as a means of tracking compliance with the PSED. Management confirmed that the Annual Equalities report for 17/18 to be published in December '18 includes data on indicators and now also includes a table of progress against the previous year's action plan.			
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28	Public Sector Equality Duty compliance	01/09/2018	1e	<p>Strategic Equality Objective and Annual Equalities Report (control design and operating effectiveness) The Equality Act states that "a listed authority (including schools and pupil referral units) must publish one or more equality objectives that it thinks it needs to achieve to further the aims of the general equality duty... The objectives must be specific and measurable." Barnet Council's Strategic Equalities Objective (SEO) published within its 2015-2020 Corporate Plan is "That citizens will be treated equally, with understanding and respect, and will have equal access to quality services which provide value to the tax payer." The following issues were noted:</p> <ul style="list-style-type: none"> • The Public Sector Equality Duty (PSED) states that equalities objectives should be updated at least every four years. While the Council's Strategic Equality Objective was confirmed as part of the Corporate Plan for 2015-2020, the Corporate Plan says that the Council will monitor progress against the Strategic Equality Objective (SEO) using indicators drawn from the Corporate Plan Technical Annex. Specific indicators from the Annex for monitoring were last agreed at Cabinet Resources Committee on 24 June 2013. These should have been reviewed at least once in the intervening period to meet the requirements of the PSED. • A comparison of the indicators 	<p>The Equalities Annual Report will be reviewed from an HR/workforce perspective by the Council's Strategic HR Lead prior to publication.</p> <p>The Equalities report is reported to members, has feedback incorporated into the report.</p>	Assistant Director – Human Resources & Organisational Development	5/11/2020
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			<p>agreed at Cabinet Resources Committee on 24 June 2013 to the Equalities Annual Report and the Cumulative Equalities Impact Assessment (CEIA) shows that the vast majority of the indicators agreed are not directly reported on. Where they are touched on (in the CEIA), no breakdown is provided by protected characteristics, as agreed within the indicators. Management have stated that the CEIA will not be produced in future years, and it is not yet clear where SEO indicators will be reported on.</p> <ul style="list-style-type: none">• Some of the measures (particularly those agreed at delivery unit level) are not detailed enough about baselines, proposed outcomes and measurement criteria to allow progress against them to be reported against. As a result, the Council's Strategic Equality Objective does not currently meet the requirement that it should be "specific and measurable".• The Annual Equalities Report includes an Equalities Action Plan. We noted that there is no reporting on the outcome of the prior year action plan, meaning that it is not possible to use this as a means of tracking compliance with the PSED. Management confirmed that the Annual Equalities report for 17/18 to be published in December '18 includes data on indicators and now also includes a table of progress against the previous year's action plan.			
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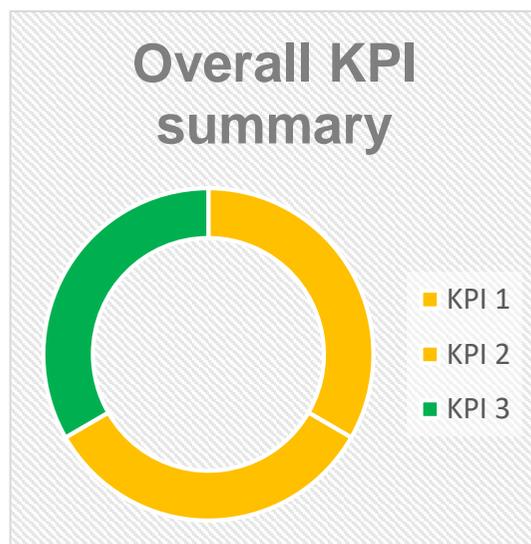
29	Public Sector Equality Duty compliance	01/09/2018	2a	<p>Equalities policies and published information (operating effectiveness)</p> <p>If equalities policies and supporting documentation are not up to date and regularly reviewed, staff and residents may not be aware of the current equalities position at the Council, or of any requirements they need to meet to support the Council to meet the requirements of the PSED.</p>	a) The Council's public equalities web page will be reviewed and links to outdated documents removed or updated as appropriate.	Community Engagement Partner	1/3/2019
30	Public Sector Equality Duty compliance	01/09/2018	2b	<p>Equalities policies and published information (operating effectiveness)</p> <p>If equalities policies and supporting documentation are not up to date and regularly reviewed, staff and residents may not be aware of the current equalities position at the Council, or of any requirements they need to meet to support the Council to meet the requirements of the PSED.</p>	b) The Council's equalities intranet page will be reviewed and links to outdated documents removed or updated as appropriate.	Community Engagement Partner	31/3/2019
31	Public Sector Equality Duty compliance	01/09/2018	2c	<p>Equalities policies and published information (operating effectiveness)</p> <p>If equalities policies and supporting documentation are not up to date and regularly reviewed, staff and residents may not be aware of the current equalities position at the Council, or of any requirements they need to meet to support the Council to meet the requirements of the PSED.</p>	c) The Equalities Policy will be reviewed and updated as necessary, and version control information will be retained within the document including a schedule for future reviews, which should happen at least every two years.	Community Engagement Partner	30/6/2019

32	Public Sector Equality Duty compliance	01/09/2018	3a	<p>Roles and responsibilities (control design)</p> <p>If it is not clear who is responsible for monitoring, documenting and facilitating equalities activities, then there is a risk that the Council may fail to comply with the PSED.</p>	<p>a) Management have carried out a mapping exercise to identify key activities required to demonstrate compliance with the PSED and monitor and report progress against the SEO. To support the transition to the new model, a RACI (responsible, accountable, consulted, informed) matrix will be created to ensure that roles and responsibilities are clearly documented, defined and understood and that responsible individuals (including Equalities Champions) are identified and named. This exercise will clearly identify the ultimate owner of the equalities agenda at the Council.</p>	Community Engagement Partner	1/2/2019
33	Public Sector Equality Duty compliance	01/09/2018	3b	<p>Roles and responsibilities (control design)</p> <p>If it is not clear who is responsible for monitoring, documenting and facilitating equalities activities, then there is a risk that the Council may fail to comply with the PSED.</p>	<p>b) A Staff Equalities Steering Group has been established with representation from across the Council, including from the Barnet Equalities Allies. The group has the remit to oversee delivery of the Staff Equalities Action Plan, staff equalities policies and statements. The Equalities Steering Group is chaired by a member of the Council Management Team.</p>	Community Engagement Partner	1/2/2019

34	Accounts Receivable – Invoice Processing	1/1/20	5c	<p>Write-Off</p> <p>Our testing established that the Education Accounts team wrote off debts annually with the authorisation of the Education Welfare Team Manager only. The review confirmed that credit notes for a total sum of £41,400 were raised to cancel outstanding invoices and debts at the end of the last financial year without the list of write-offs subsequently being signed off formally by the head of service. A proportion of this debt related to credits raised for prompt payment by parents within 21 days as stated under the terms of the invoice. Both these prompt payment credits and other bad debt write offs require management approval.</p>	<p>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 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.</p>	<p>Finance Manager; Education Welfare Manager</p>	31/3/2020
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Appendices

Appendix A: Key performance indicators (KPIs)



KEY:

Fully Achieved

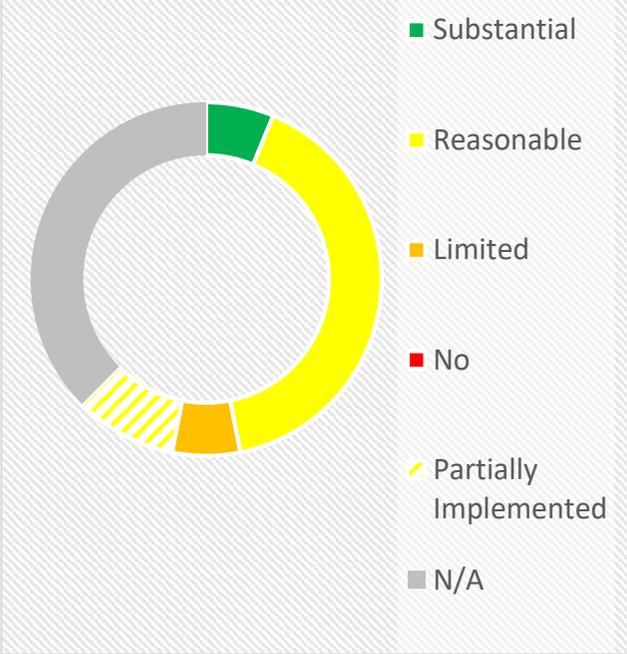
Partially Achieved

Not Achieved



KPI	Target	Results	Comment										
<p>1. % of Plan delivered</p> <p>Narrative:</p> <p>We have not met our target for the end of Q3. This is due to a number of factors, primarily the redeployment of internal audit staff in response to COVID which to date has accounted for 300 lost 'audit days'. To make up for this, where possible audits have been undertaken by our co-sourced partner PwC where they would normally have been undertaken by the in-house team.</p>	75%	64%	<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 64% of our plan.</p> <p>Up to 37% = Not Achieved 38% - 74% = Partially Achieved 75% = 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%	76%	<p>0-49% = Not Achieved 50-89% = Partially Achieved 90% = Fully Achieved</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



4. % of reports year to date achieving:			
•Substantial	N/A	6%	
•Reasonable		41%	
•Limited		6%	
•No Assurance		0%	
•Partially Implemented		9%	
•N/A		38%	