

Internal Audit – London Borough of Barnet

Appendix 1



Internal Audit Q3 Progress Report 1 October – 30 December 2021



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 2021/22 internal audit plan

1.2.1 In April 2021, the Audit Committee agreed a plan for the first six months of the 2021/22 financial year, due to the on-going disruption of the COVID19 Pandemic. A plan for the remaining six months of the year was formally approved by the Audit Committee on 15th December.

We have completed 16 reviews in this current period and to date have delivered 71% of our combined 2021/22 annual internal audit programme.

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

1.2.2

There were two 'limited' assurance reports issued in this period.

- Estates Compliance
- QL Housing System

Further detail is provided in section 2.1 of this report.

1.3 Findings of our Follow Up Work

1.3.1 We have commenced follow up work on all **high priority actions** with an implementation date of 31 December 2021 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 22 high priority actions have been followed up in Q3:

- 18 actions have been confirmed as implemented (82%); and
- 4 have been partially implemented (in Progress) (18%).

High priority actions: Follow-up Summary	Total	Implemented	In progress	Not Implemented
Total Number of Actions Tested	22	18	4	0

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:

- 36 actions have been confirmed as implemented (92%); and
- 3 have been partially implemented (8%).

Medium priority actions: Follow-up Summary	Total	Implemented	In progress	Not Implemented
Total Number of Actions Tested	39	36	3	0
Total actions followed up in Q3	61	54	7	0
%		89%	11%	0%

We have currently confirmed 89% high and medium rated actions as implemented, superseded or closed. The current total is therefore just below the target of 90%.

Included in the Implemented audit actions are all of the agreed actions from the **Agency Staff** audit (as verbally reported to the last Audit Committee) and all of the remaining actions from the **Pensions** audits. Thank you to the officers who co-operated with us on those particular reviews.

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

1.4 Other Matters

1.4.1 Danegrove School

In Q1 we reported that Danegrove School had received a 'No Assurance' rating. In Q2 we reported that the majority of the agreed actions had not yet been implemented. The Committee will recall that a new Headteacher took up her position effective 1 September 2021 and that, in light of the changes occurring at the school, we extended the agreed dates for actions to be implemented to April 2022. We will therefore formally report back to the Committee in Q1 of the 2022/23 financial year on the progress against this revised deadline.

At the December meeting, the Committee requested that a representative of the school attend a future Committee meeting. This has been discussed with the Executive Director of Children's Services (DCS) and the Director of Education and Learning.

Headteachers and governors are leaders of autonomous organisations and legal entities. They are not council officers and so cannot be summoned to council meetings. The Governing Bodies of community schools are responsible for the school's compliance with all legal requirements, which includes, for maintained schools, abiding by the council's Scheme of Financial Delegation.

The council has delegated relevant powers in relations to the Scheme of Financial Delegation to the DCS and Director of Finance.

Internal Audit has an agreed escalation process for dealing with unsatisfactory audits, which would lead to action by the DCS under these delegated powers once all other steps have been exhausted. If a school representative attended the Committee, this could undermine the council's ability to use formal intervention powers should that become necessary.

The agreed escalation process for school audits involves the following steps:

1. The Internal Audit team follow up on audits that are not reasonable assurance (so those that are limited or no assurance) to ensure that agreed actions are implemented.
2. If appropriate actions are not agreed or actions are not implemented in a timely manner, then the agreed process is that the audit team will refer matters to the Director of Education and Learning who will ask the school's Learning Network Inspector to talk to the headteacher (and chair of governors if necessary) to ensure that actions are agreed and implemented.
3. Internal Audit then continues to monitor progress and escalates to the Director of Education and Learning if the school is not co-operating or is taking too long to implement actions. The Director will then intervene with the school to ensure compliance, including writing to the school and, if necessary, recommending a warning notice be issued by the council (DCS) in accordance with the Scheme of Financial Delegation.

If there are problems with implementation but there is a change in leadership within the school, it is accepted that the new leadership (headteacher/chair of governors) should be given the chance and time to make the necessary changes. The internal audit team also take into account other contextual factors that may lead to delays through no fault of the school, such as the disruption caused by the covid pandemic.

To provide additional assurance to the Committee, an additional interim follow-up visit is booked for the week of 26th January. The Head of Internal Audit will provide a verbal update on the outcome of this visit at the Committee meeting.

If the internal audit team are not satisfied with progress the next course of action is step 3 above.

1.4.2 Estates Compliance

Internal Audit completed an audit of Estates Compliance during the quarter which provided Limited Assurance. This report generated 1 'high' and 3 'medium' recommendations (leading to 2 high and 8 medium priority actions).

Management have confirmed that no immediate risk to health and safety resulted from any of the issues identified in this audit report. Remedial works identified in the audit were classified as Priority 1 (safety critical) but that doesn't necessarily mean that they present an imminent risk to health and safety.

Due to the agreed actions having implementation dates of 31st December or sooner, we have already completed our follow-up audit. At present, we can report that 1 of the high actions and all 8 medium actions have been implemented. 1 of the high actions has been partially implemented. A revised due date has been set of 31st March 2022 for this remaining outstanding 'high' action, which relates to an update to the KPI for remedial works. Good progress has been made. Process changes have already been implemented and agreement of the revised KPI is underway.

1.4.3 External Quality Assessment

Internal Audit was externally assessed this year as part of the 5-yearly requirement of the Public Sector Internal Audit Standards. The assessment was carried out by the Head of Internal Audit, Anti-Fraud and Risk of Tower Hamlets as part of the London Audit Group (LAG) peer review scheme whereby assessments are undertaken reciprocally across London. The conclusion of the report was as follows:

“Overall, the internal audit service at the London Borough of Barnet is a well led, professional and respected service that adds value and provides evidenced based, reliable assurance over the Council’s governance, risk management and internal controls.

Based on the self-assessment, supporting evidence and independent validation it is the view of the lead assessor that the internal audit service for the London Borough of Barnet **generally conforms** with the Public Sector Internal Audit Standards.”

‘**Generally conforms**’ is the best rating that can be given. The definitions of the ratings are as follows:

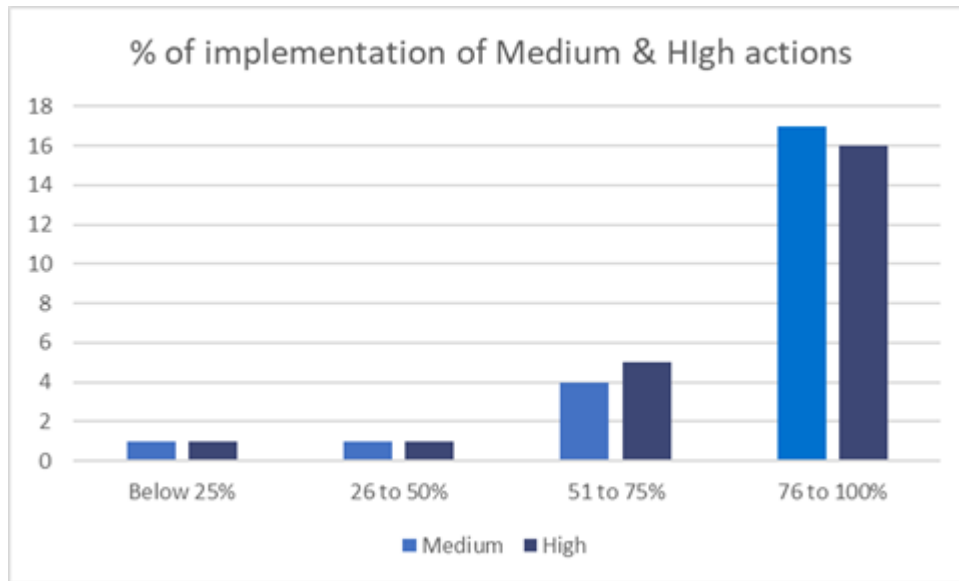
Generally Conforms	The relevant structures, policies, and procedures of the internal audit service, as well as the processes by which they are applied, comply with the requirements in all material respects.
Partially Conforms	The internal audit service falls short of achieving some elements of practice but is aware of the areas for development. These will usually represent significant opportunities for improvement in delivering effective internal audit.
Does Not Conform	The internal audit service is not aware of, is not making efforts to comply with, or is failing to achieve many/all of the objectives and practice statements within the section or sub-sections. These deficiencies will usually have a significant negative impact on the internal audit service’s effectiveness and its potential to add value to the organisation. These will represent significant opportunities for improvement, potentially including actions by senior management or the Audit Committee.

The report is provided as Appendix 2.

1.4.4 LAG Survey Data Outcome – Follow-ups

During the quarter, the Internal Audit service was invited by the London Audit Group to complete a benchmarking survey for Barnet. Benchmarking is seen as an important tool to help us plan and resource the functions we are responsible for and in how we report on this to senior management and members. The results and findings from this survey will be considered when drafting the 2022/23 audit plan.

The survey was completed by 23 authorities and included a question around implementation of audit actions. The results are summarised here to give context to members around Barnet's implementation rate.



1.5 Recommendations

- That the Audit Committee notes the progress made against our 2021/22 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 QL Housing System

Number of Recommendations by risk Category		
High	Medium	Medium
1	3	1

Note: The high recommendation has been a known issue through the external audits ISA260s – which is why the internal audit report was commissioned (to provide more detail on the issue and a route to resolution).

Scope

This review was undertaken as part of the London Borough of Barnet Internal Audit & Anti-Fraud Strategy and Annual Plan 2021-22, Q3 and Q4.

Barnet Council's (the Council) external auditors (BDO LLP) raised an observation as part of the 2019/20 external audit relating to housing stock records not being properly updated. Specifically, the external auditors identified that 213 properties had been incorrectly treated as disposals during the year “due to Barnet Homes Limited not providing adequate management information to the Council to correctly account for its major works programme, new property purchases and new out of borough properties”. Accordingly, there is a risk that Council's record of properties owned and valuation of assets in the financial statements may be materially incorrect if this data is not corrected.

The external auditors recommended that Council departments involved in regeneration / redevelopment provide the Finance team and Barnet Homes Limited with plans, agreements and transfer documents so that asset disposals and acquisitions can be managed correctly in the Housing Management system. Council management accepted the recommendation and specific reporting requirements and deadlines have been included within the revised Management Agreement with The Barnet Group, which includes Barnet Homes, to address this issue.

The Council is keen to gain further assurance over the processes and controls in place for the QL Housing system managed by Barnet Homes as well as the communication in place to maintain data integrity between Barnet Homes and the Council to ensure that the data is complete and accurate, and this review covered the design and operating effectiveness of these processes and controls, in particular focussing on roles and responsibilities, data quality and access management.

Summary of findings

We have identified a number of findings including a lack of reconciliations to confirm the completeness and accuracy of the QL property portfolio year on year, an absence of a centralised listing of property additions and disposals, and a lack of formal documentation to ensure clarity and consistency within the additions and disposals processes. It is important for Barnet Homes to formalise processes for adding and removing properties from the QL system. This includes maintaining a central record of property movement that is accessible by all relevant teams and ensuring regular reconciliations of the QL property portfolio are performed to confirm the completeness and accuracy of data. This would enhance transparency across the organisation and reduce the risk of inaccurate or incomplete reporting. Barnet Homes should also meet with the Council on a frequent basis to discuss significant property acquisitions and disposals, to ensure that both parties maintain sufficient oversight over the Council's property portfolio.

This audit has identified 1 high, 3 medium and 1 low risk findings.

We identified the following issues as part of the audit:

- **Property reconciliations and completeness (high risk)** – Barnet Homes does not have formal processes in place to periodically assess the completeness and accuracy of the property portfolio within QL and does not perform a detailed reconciliation of property data in the QL system during the year. Furthermore, Barnet Homes does not perform any completeness checks of the QL property portfolio. For instance, by reconciling property listings from other sources back to the QL system. This may mean that missing or inaccurate data is not identified in a timely manner, and could lead to an inaccurate and/or incomplete property portfolio within QL.
- **Accuracy of the QL property portfolio (medium risk)** – Monthly change reports are downloaded from the QL system and sent to the Barnet Group Finance Director for review, who randomly selects a sample of changes made and requests evidence or explanations to confirm the appropriateness. Whilst no issues were noted through our testing of two out of two months, we would recommend that the process for checks to confirm the accuracy of the QL portfolio is formally documented and a consistent sampling approach is adopted. In addition, it was noted that there are no checks to confirm the accuracy of manually added properties, and no defined processes for when to add properties manually or automated to the system.
- **Timeliness of communication between Barnet Homes and the Council (medium risk)** – We understand that there is no communication throughout the year between the Council and Barnet Homes regarding any property additions or disposals. Furthermore, we are aware that Barnet Homes does not meet with the Council to communicate or discuss any significant movements in the property portfolio. As a result, Barnet Homes may be unaware of significant acquisitions or disposals made by the Council and may therefore not update the QL system on a timely basis.
- **Additions and disposals process notes (medium risk)** – We have not received any formal procedure documents relating to property additions and disposals on QL. Without appropriate procedures in place, the process for adding and disposing properties may be unclear, which may lead to inaccurate or incomplete data in the QL system.

2.1.2 Estates Compliance

Number of Recommendations by risk Category		
High	Medium	Low
1	3	0

Scope

This review was undertaken as part of the London Borough of Barnet Internal Audit and Anti-Fraud Strategy and Annual Plan 2020/21 approved by the Council's Audit Committee on 14th July 2020.

The London Borough of Barnet (the "Council") owns or maintains approximately 800 properties that make up the Council's corporate estate. The Council has the statutory obligation to ensure there is a good Health & Safety (H&S) regime in place. The H&S policy and plan should be able to reduce the risk of harm or accidents to a satisfactory level.

To meet this obligation, the Council is required to have a proactive, effective and efficient statutory building compliance management plan in place.

This audit focused on the following areas:

1. A review of the adequacy of the Council's Building Compliance Management Policies and Procedures, to ensure they are reflective of the required management arrangements and also satisfy the Council's Duty Holder roles and responsibilities.
2. A review of the adequacy of CSG Estates' (the appointed Managing Agents) Compliance Management Operating Procedures to ensure they adequately reflect the Council's requirements and how compliant the Council is with its roles and responsibilities as Duty Holder. The audit focused on safety critical inspections but also reviewed all other inspections and surveys that are undertaken as part of the agreed Annual Work Plan.

Summary of findings

This audit identified 1 high and 3 medium risk findings.

Management have confirmed that no immediate risk to health and safety resulted from any of the issues identified in this audit report. Remedial works identified in the audit were classified as Priority 1 (safety critical) but that doesn't necessarily mean that they present an imminent risk to health and safety.

We identified the following issues as part of the audit:

- **Remedial Works - Completion Within Appropriate Framework (High):** We noted that 63% (19 out of a sample of 30) of identified remedial works were delayed for between 2-4 months. 14/19 (74%) of the delayed items were designated High priority risks. There is no performance indicator for this area to facilitate monitoring.

- **Policies and Procedures - Output Specification (Medium):** A (CSG) contract is in place that relates to all areas of Estates, whilst Output Specs and Performance Indicators are established for each Service Area. Deeds of Variation (DOV - two have been created to date) set out changes to the original contract. These are in turn appended to the Output Specifications. During the field work we established that although there are shared folders and various up to date records relating to the Output Spec for Estates, the output specification has not been updated since it was produced in 2013 and that all the various specification changes to the contract were not consolidated in one place for easy access. The Estates Priority 1 Building Compliance Escalation Protocol (EPCEP) is a document which is not version controlled, although it is specifically referred to in the contract. There is therefore a risk that staff will work from several different versions of documents or knowledge will be lost when experienced staff leave.
- **Inspection – Safety Critical Compliance (Medium):** Parameter changes to meet national standards (which were longer than the timescales in place) had not been implemented in the system; and there was also an administrative impact of the COVID19 Pandemic. As a result, although there were delays, they were not as severe as initially suggested by the data made available to Internal Audit.
- **Governance - Special Project Initiation Requests (SPIRs) (Medium):** Contract Monitoring meeting reports suggested 40 cases where there were delays in the approval of Special Project Initiation Requests (SPIRs) sent by CSG to LBB for approval. The delays ranged between 1-19 months. However, inconsistency in the format of reports and conversations with responsible officers suggested reports were not accurate and approvals had already been given in the majority of cases. The anomalies had not been identified by the Contract Monitoring Team who rely on the information for decision-making.

Appropriate actions have been agreed and as these all had implementation dates of 31st December or sooner, the follow-up work has already been completed. Please see section 4.0 for the detail on the outcome of this work.

3.0 Progress against plan

The table below represents a summary of the work that we have completed during the period 1st October 2021 to 31st December 2021 or that is currently underway.

Stage	Name of review	Report classification	Total findings	Ratings				
				Critical	High	Medium	Low	Advisory
Q3 – 1 October – 30 December 2021								
Complete	QL Housing system	Limited	5	-	1	3	1	-
Complete	Estates Compliance	Limited	4	-	1	3	-	=
Complete	Trade Waste	Reasonable	3	-	1	1	1	-
Complete	VAT	Reasonable	6	-	-	4	2	-
Complete	Council Tax	Reasonable	5	-	-	4	-	1
Complete	Church Hill School	Reasonable	8	-	-	4	4	-
Complete	Tudor Primary School	Reasonable	7	-	-	5	2	-
Complete	All Saints (CE) School NW2	Reasonable	6	-	-	2	4	-
Complete	Livingstone School	Reasonable	6	-	-	3	3	-
Complete	St Mary's School (N3)	Reasonable	5	-	-	3	2	-
Complete	Barnfield School	Reasonable	5	-	-	2	3	-

Complete	Agency Staff Follow-up	Implemented		-			-	-
Complete	Pensions Follow-up	Implemented		-			-	-
Complete	COVID19 Business Grants – Post Payment Assurance Phase 1	Substantial	-	-	-	-	-	-
Complete	Disabled Facilities Grant certification	N/A	-	-	-	-	-	-
Complete	Supporting Families Programme – Payment by Results Q3	N/A	-	-	-	-	-	-
Total findings in Q3			60	0	3	34	22	1
Draft Report	Equality, Diversity and Inclusion (EDI) Policy and Action Plan - Development and Governance review	N/A	-	-	-	-	-	-
Draft Report	COVID 19 Response and Recovery - Realtime Transaction Analysis (Phase 2)	N/A	-	-	-	-	-	-
Draft Report	COVID19 Business Grants – Post Payment Assurance Phase 2	N/A	-	-	-	-	-	-
Draft Report	IR35	TBC	-	-	-	-	-	-
Fieldwork	Finance Global Design Principles – Project Accounting	TBC	-	-	-	-	-	-
Fieldwork	Commercial Rents and Lease Renewals	TBC	-	-	-	-	-	-

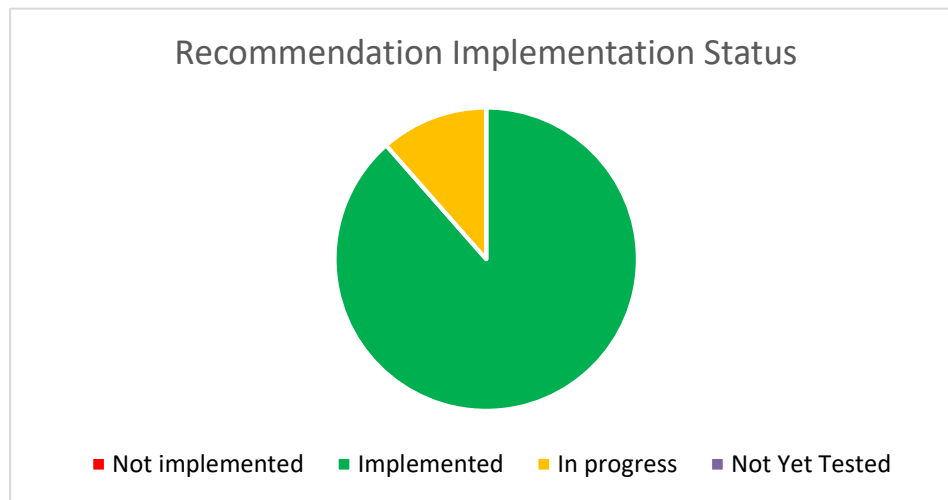
Fieldwork	Remote Working	TBC	-	-	-	-	-	-
Fieldwork	Direct Payments	TBC	-	-	-	-	-	-
Fieldwork	Staff Conduct Standards Compliance	TBC	-	-	-	-	-	-
Fieldwork	Premises Licensing and Gambling	TBC	-	-	-	-	-	-
Fieldwork	Local Land Charges outputs	TBC	-	-	-	-	-	-
Fieldwork	Parking – PCN Debt Recovery & Write offs	TBC	-	-	-	-	-	-
Fieldwork	Data Maturity	TBC	-	-	-	-	-	-
Fieldwork	Expenses	TBC	-	-	-	-	-	-
Fieldwork	St Johns N11	TBC						
Fieldwork	Beis Yaakov Primary School	TBC	-	-	-	-	-	-
Planning	Community Infrastructure Levy	TBC	-	-	-	-	-	-
Planning	Highways Health & Safety	TBC	-	-	-	-	-	-
Planning	Private Residential Blocks – Fire Safety	TBC	-	-	-	-	-	-
Planning	BELS GDPR	TBC	-	-	-	-	-	-
Planning	Finance Global Design Principles – Investment Appraisal	TBC	-	-	-	-	-	-
Planning	Green Waste	TBC	-	-	-	-	-	-

Planning	Risk Management	TBC	-	-	-	-	-	-
Q4								
Planning	Equalities – Succession Planning	TBC	-	-	-	-	-	-
Planning	Sustainability Strategy	TBC	-	-	-	-	-	-
Planning	Kickstart Programme	TBC	-	-	-	-	-	-
Not Started	Disabled Facilities Grant – Risk Based Audit of Processes	TBC	-	-	-	-	-	-
Not Started	Supporting Families Programme – Payment by Results Q4	TBC	-	-	-	-	-	-
DEFERRED Current reviews of Investment Appraisal and Project Accounting on-going. A sample of projects using the toolkit will be reviewed in 2022.23	Project Management Toolkit – Project Compliance	N/A	-	-	-	-	-	-

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, not implemented or have not yet been tested.



4.2 Outstanding actions

4.2.1 During this period we followed up 22 high priority and 39 medium priority actions due by 30 December 2021. 18 high priority and 36 medium priority actions were found to be implemented, superseded or closed. The remaining 4 high and 3 medium actions tested 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: Deputy Chief Executive						
1.	Land Charges - Review of Planning Data Controls and Policies December 2020	1.3. We will define and implement a strong data governance framework that can be applied across Council services to sustain data quality, ensuring existing policies such as the Data Quality Standard are embedded within teams. This should include: a) A vision and strategy including objectives and priorities b) An operating model including defined roles and responsibilities c) Change management	Partially implemented – Limited Progress LOTI (London Office for Technology and Innovation) is currently coordinating Pan-London Data Management and Data Ethics Strategies, and a set of principles is currently being developed and will be shared on the Insight & Intelligence Hub for the Council. Revised deadline: 31st March 2022	Head of Organisational Insight & Intelligence, LBB	31/3/2021 then 31/10/2021	2

		including communication, awareness and training d) Monitoring including metrics and KPIs.				
2.	Land Charges - Review of Planning Data Controls and Policies December 2020	1.7. We will support an audit of outputs in 2021 to provide assurance that the risks identified have not materialised into issues.	Partially Implemented – Good Progress Currently at the fieldwork stage of the audit to provide assurance that risks identified have not materialised into issues. Report to be issued during Q4. Revised deadline: 28 th February 2022	Transformation Manager With Internal Audit	31/10/2021	1
3.	Land Charges – Review of Planning Data Controls and Policies December 2020	2.6. We will develop a communication plan to present and share data quality initiatives and sustaining activities between the different teams.	Partially Implemented – Limited Progress The Insight & Intelligence (I & I) team will develop a set of principles for the Council and share them on I&I Hub. The team are looking to do some breakfast briefings in March 2022 to include various tools and knowledge sharing. Data Management will be included in these. Revised deadline: 31st March 2022	Transformation Manager Update: now Head of Organisational Insight & Intelligence, LBB	31/3/2021 then 31/10/2021	2
4.	Estates Compliance November 2021	b) CSG Management will propose to the authority an update to the existing KPI that recognises: 1. The compliance	Partially implemented – Good Progress Process changes have already been implemented and agreement of the revised KPI is underway. Revised deadline: 31st March 2022	Head of Building Services, CSG Building Compliance Officer, LBB	30/11/2021	1

1.	Finance Global Design Principles Follow-Up: Account Receivable	28/06/2021	2a	Accuracy of Credit Note Processing - Approval limits	<i>a) The Chief Accountant will agree separate delegated limits needed for credit notes as to what limits shall apply to each category of staff either through a separate document applying to credit note processing or by staff post</i>	Head of Finance Chief Accountant Update: remaining action (system change) now with Capita Finance Systems CST Manager	30/11/21	Partially Implemented The completion of this action requires a system change and is also a change to the way Budget Managers operate. This requires stakeholder engagement and Head of Service approval. The system change is progressing and has been added to the Contract monitoring meetings to ensure it is regularly discussed with CSG and progress reviewed. Revised target date: 30th April 2022
2.	Finance Global Design Principles Follow-Up: Account Receivable	28/06/2021	2b	Accuracy of Credit Note Processing - Approval limits	<i>b) The Systems Manager will devise a system to implement a process of locking down credits notes to who can raise them, and who can authorise them based on the position of the person who raised them.</i>	Finance Manager – Financial Systems and Assistant Income Manager Update: remaining action (system change) now with Capita Finance Systems CST Manager	30/11/21	Partially Implemented As above

3.	Parking - PCN Cancellations 2019-20	15/09/2021	2f	Cancelling / Issuing Blue Badge PCNs without CAFT Awareness	<i>f) CAFT and Parking will work together to review the training that NSL Civil Enforcement Officers (CEOs) are receiving on identification of potential Blue Badge misuse.</i>	Assistant Director, Parking	31/10/2021	Partially Implemented CAFT confirmed that formal training has been delivered twice, however due to the high turnover of staff further training may be needed in the new year on identifying further Blue Badge misuse. We consider this partly implemented.
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4.3 Completed actions

4.3.1 During this period we followed up 18 high priority and 36 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
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.	Pensions Manager	31 Dec 2021
2.	Pensions Administration Governance Transition December 2020	Discussions with WYPF have commenced as planned post transfer to identify key priorities, including data gaps, 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.	Head of Pensions	31/07/2021

3.	Pensions Administration Governance Transition December 2020	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.	Head of Pensions	31/07/2021
4.	Pensions Administration Governance Transition December 2020	Benefit process will be routinely discussed with WYPF.	Pensions Manager	Original Due Date not applicable. Ongoing
5.	Pensions Administration Governance Transition December 2020	For data remediation and reporting, see action plans against findings 1 and 2.	Head of Pensions	31/7/2021
6.	Agency Staff Review July 2021	a) The RACI will be reviewed and updated, in line with the policy & procedure documentation (refer to finding 2), to ensure appropriate roles are detailed.	Commercial Performance & Development Manager	30/09/2021
7.	Agency Staff Review July 2021	b) A review schedule will be created to ensure that the RACI is maintained and updated periodically (e.g., annually, or in line with relevant policy review or changes).	Commercial Performance & Development Manager	30/09/2021
8.	Agency Staff Review July 2021	c) The updated RACI matrix will be communicated to all current recruitment managers.	Commercial Performance & Development Manager	30/09/2021
9.	Agency Staff Review July 2021	d) The latest version of the RACI will be made available to all relevant individuals and teams via the intranet.	, Commercial Performance & Development Manager	30/09/2021

10.	Agency Staff Review July 2021	a) Pre-employment checks will be reviewed, prior to an agency worker starting work, to ensure that they are complete, valid and in line with Council requirements by an appropriate individual as documented in the updated RACI matrix/policy documents (e.g., the Recruiting Manager).	Business Manager (Matrix)	31/07/2021
11.	Agency Staff Review July 2021	b) Matrix will provide LBB contract managers with appropriate reports detailing the results of the pre-employment checks performed in order for LBB to monitor compliance as part of the contract management meetings.	Business Manager (Matrix)	31/07/2021
12.	Agency Staff Review July 2021	c) The policy defining approval requirements and expectations will be reviewed and updated to reflect appropriate current working practices, including reinforcing audit trail responsibilities, which will be in line with the revised RACI matrix.	Senior HR Business Partner	31/07/2021
13.	St Joseph's Catholic Primary School March 2021	The school will comply with the Scheme for Financing Schools section 4 (The treatment of surplus and deficit balances arising in relation to budget shares). The school will continue to work towards an agreed recovery plan and submit tracking evidence of recovery plans to the local authority as requested.	Executive Headteacher/Finance Officer/Governors	30/06/2021
14.	The Orion Primary School July 2021	The school will appoint a new Clerk to the Governing Body who will have the skills to guide the Governing Body and ensure that a correct and complete record of the governing body's decisions is retained. A skills audit will be completed to identify governor training needed, and the Governing body vacancies will be filled with skilled members who will contribute to the effective governance and success of the schools. Business Interest forms will be completed by all Governors annually. In accordance with 'The Constitution of Governing Bodies of Maintained Schools' The website should describe the structure and remit of the governing body and any committees and give the full names of the chair of each. For each governor who has served at any point over the past 12 months the information should contain: <ul style="list-style-type: none"> • Their full names, date of appointment, term of office, date they stepped down (where applicable), who appointed them (in accordance with the governing body's instrument of government.) • Relevant business and pecuniary interests (as recorded in the register of interests) including Governance roles in other educational institutions and material interests arising from relationships between governors or relationships between governor and school staff • Their attendance record at governing body and committee meetings over the last academic year 	Principal/Governing Body	01/11/2021

		The declaration should include any associate members, stating any committees on which they have voting rights."			
15.	Finance Global Design Principles Follow-Up: Accounts Receivable June 2021	a) Budget Managers will take responsibility for credit notes raised and allocated in their area. Budget Managers will track and report on credit notes raised in their budget area and ensure that all outstanding unallocated credit notes are matched with their invoices.	Budget Managers in all Directorates	30/09/2021	
16.	Finance Global Design Principles Follow-Up: Accounts Receivable June 2021	b) Finance Managers will ensure there is a regular (as appropriate to the service, at least half yearly) review of credit notes to identify where processes have lapsed with a view to moving credit notes through the system.	Assistant Director Communities and Performance supported Head of Finance, Adult Social Care & Public Health	30/9/2021	
17.	Parking - PCN Cancellations September 2021	Management will expedite actions to ensure a legally binding contract is in place as soon as possible.	Assistant Director, Parking	31/10/21	31/10/2021
18.	Estates Compliance November 2021	a) Management will review the process of completing the high risk and the medium risk remedial work to ensure prompt repairs.	Head of Building Services, CSG Building Compliance Officer, LBB	30/11/2021	

4.3.3 Completed medium priority actions

	Audit Title	Audit Date	Ref	Finding	Action	Responsible officer	Due date
1	Pension Administration Governance Transition	15/12/2020	6	<p>Project risk register is not routinely reviewed and updated</p> <p>If the project risk register is not routinely reviewed and updated, then there is a risk that project risks are not being actively monitored and managed.</p>	The finding will be considered as part of the formal project debrief and captured in the lessons learnt.	Project Director	31/1/2021
2	Pensions Administration Governance Transition	15/12/2020	7	<p>The finding will be considered as part of the formal project debrief and captured in the lessons learnt.</p> <p>If the workstream task list is not sufficiently detailed then there is a risk that key project tasks, reconciliations and sign offs may not be performed and impact on the success of the admin transition.</p>	See post transition report in the action plan for finding 6. To address the data gaps, see action plans for findings 1 and 2.	Head of Pensions	31/3/2021

3	Pensions Administration Governance Transition	15/12/2020	8	<p>Instances of non-attendance at Project Board meetings by core Project Board members</p> <p>If Project Board meetings are not attended by all core members of the Project Board, then there is a risk that there is insufficient oversight and accountability which may result in the benefits of the project not being realised.</p>	See formal project debrief and lessons learnt action plan in finding 6.	Project Director	31/1/2021
4	Finance Global Design Principles Follow-Up: Account Receivable	28/06/2021	3a	Authorisation of Refunds - Lack of interface:	a) When a refund is entered and matched to an invoice/account, a PDF report will be generated summarising the entry (content to be agreed) to replace evidence from Integra that the account is in credit (by way of Screen shot of the unallocated payment on the customer account). The PDF report will be generated automatically on allocation and sent by email to either a) the person entering the refund, b) person matching the refund to a payment/credit note or c) AR team. This will need to go to the person who will submit the request in AP.	Assistant Director Communities and Performance Head of Finance, Adult Social Care & Public Health	31/07/2021

5	Finance Global Design Principles Follow-Up: Account Receivable	28/06/2021	3b	Authorisation of Refunds - Lack of interface:	b) In the longer term, the AP form/process will be amended by the systems team. When the exception code of refund is selected, the form will prompt for the refund reference number from the Sales Ledger. This will only allow the selection of a fully allocated refund that has not been processed before. (When the manager is approving, they will be presented the name and address details of the customers to compare to the details provided on who is to be paid. This will remove the requirement from Integra that the account is in credit (by way of Screen shot of the unallocated payment on the customer account).	Finance Manager – Financial Systems Capita Finance Systems CST Manager	30/09/2021
6	Finance Global Design Principles Follow-Up: Account Receivable	28/06/2021	3c	Authorisation of Refunds - Lack of interface:	c) The change at (b) will be added to the changes discussed at the AP/Integra/Schools Traded Services Contract Monitoring Meeting (CMM), so this can be monitored to completion.	Head of Finance (Exchequer)	30/09/2021
7	Finance Global Design Principles Follow-Up: Fixed Assets	31/05/2021	2a	Missing deed packs	a. HBPL will assess the legal implications of not being able to locate BB packs for Council properties.	Senior Lawyer & Team Leader – Property (Harrow Barnet Public Law (HPBL)	01/07/2021

8	Finance Global Design Principles Follow-Up: Fixed Assets	31/05/2021	2b	Missing deed packs	<p>b. Actions will be agreed and implemented based on HBPL assessment including engaging the relevant parties (for example, Estates and Records Management). This will include HPBL re-opening the discussion for implementation of the project/initiative for the completion of the registrations of the Council's remaining unregistered land interests.</p> <p>Note: The Assistant Director – Estates confirmed that Estates will engage with any actions arising from HBPL's assessment of the implications of not being able to locate deed packs</p>	Senior Lawyer & Team Leader – Property (Harrow Barnet Public Law (HPBL)	01/07/2021
9	Finance Global Design Principles Follow-Up: Fixed Assets	31/05/2021	2c	Communication between Legal and Finance	c. In instances where HPBL are involved with a property transaction relevant to Council property (HRA and General Fund), HBPL will ensure that related information is communicated to the Financial Accounting and Controls Team responsible for fixed assets processing. A circulation will be agreed for the dissemination of information following the completion of transactions.	Senior Lawyer & Team Leader – Property (Harrow Barnet Public Law (HPBL)	01/07/2021
10	Finance Global Design Principles Follow-Up: Fixed Assets	31/05/2021	2d	Communication between Legal and Finance	d. The Financial Accounting and Controls Team will clarify the type of transactions/information relevant to properties they require from HBPL.	Finance Manager – Financial Control Team	01/07/2021

11	Finance Global Design Principles Follow-Up: Cash and Bank	28/06/2021	1d	Bank listing and bank authorised signatory lists	d. The schools authorised signatory list will be reviewed to ensure that it is up to date with all schools' bank accounts and the correct authorised signatories and that it is consistent with the related records held at the bank.	Finance Manager	01/08/2021
12	Finance Global Design Principles Follow-Up: Cash and Bank	28/06/2021	4b	Bank reconciliations	b. Corporate Finance will maintain periodic oversight of bank reconciliations of the 11 imprest bank accounts to ensure that they are done consistently and accurately	Assistant Finance Manager – Cash & Banking Registered Manager Meadow Close	01/08/2021
13	Agency Staff Review	01/07/2021	3a	Awareness of Policies	a) The policy will be reviewed in line with the RACI matrix and updated where necessary.	Senior HR Business Partner	31/07/2021
14	Agency Staff Review	01/07/2021	3b	Awareness of Policies	We will communicate to all service users the expectations of them as recruitment managers, and this will make specific reference to ensure that familiarity with all relevant policies and procedures remains the responsibility of the recruitment manager.	Senior HR Business Partner	31/07/2021
15	Agency Staff Review	01/07/2021	3c	Awareness of Policies	A link to the policies and procedures held on the Council's intranet will be made available through the Matrix system.	Business Manager (Matrix)	31/07/2021
16	Agency Staff Review	01/07/2021	3d	Awareness of Policies	Matrix will also investigate options to prompt new users of the service to refer to the appropriate policies (e.g., via the welcome email or equivalent)	Business Manager (Matrix)	31/07/2021

17	Agency Staff Review	01/07/2021	3e	Awareness of Policies	Matrix will review the system settings to ensure that 12-week placement periods are systematically enforced.	Business Manager (Matrix)	31/07/2021
18	Agency Staff Review	01/07/2021	4a	Length of Service	a) We will ensure that conversations held in relation to appropriate length of service are reflected via length of service MI as a standing reporting requirement for all contract meetings.	Procurement Business Partner	31/07/2021
19	Agency Staff Review	01/07/2021	4b	Length of Service	b) We will update the appropriate policies and RACI matrix to emphasise the responsibilities of recruitment managers to ensure that length of service greater than 12 weeks is appropriately scrutinised and justified, including considerations for workers' rights and value for money.	Senior HR Business Partner	31/07/2021
20	Estates Compliance	05/11/2021	2a	Policies and Procedures: Output Specification	a) The Commercial Team will consider the resources needed to complete the review of the contract/KPI documents recently updated and passed to LBB for approval.	Acting Head of Commercial Management	30/10/2021
21	Estates Compliance	05/11/2021	2b	Policies and Procedures: Output Specification	b) The Commercial Team will then employ the necessary resource to ensure that all the changes made to the contract specifications are consolidated for easy access.	Acting Head of Commercial Management	30/10/2021
22	Estates Compliance	05/11/2021	2c	Policies and Procedures: Output Specification	c) The Estates Priority 1 Building Compliance Escalation Protocol (EPCEP) will be formalised, and version controlled as appropriate.	Head of Commercial Management	30/10/2021
23	Estates Compliance	05/11/2021	3a	Inspection - Safety Critical Compliance.	a) The correct frequencies of the safety critical inspections will be uploaded on the system to ensure accurate reporting.	Head of Building Services, CSG	30/12/2021

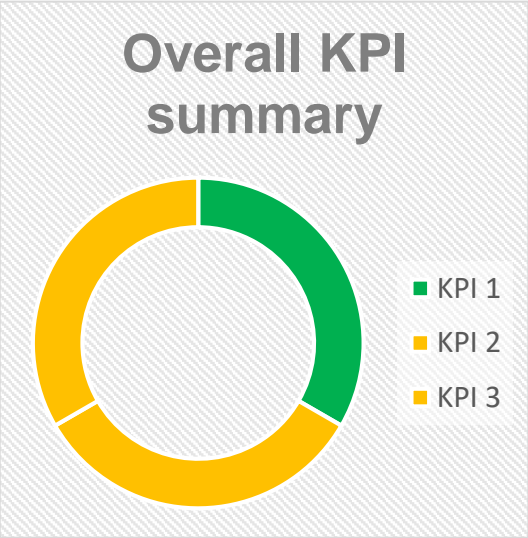
24	Estates Compliance	05/11/2021	3b	Inspection - Safety Critical Compliance.	b) Management will ensure resources are in place to facilitate system administration improvements to ensure that reports produced are prompt and are complete and accurate.	Head of Building Services, CSG	30/12/2021
25	Estates Compliance	05/11/2021	3c	Inspection - Safety Critical Compliance.	c) Management will review the safety critical service programmes jointly with LBB as these should consist of statutory and legislative obligations only with regards to testing.	Head of Building Services, CSG	30/12/2021
26	Estates Compliance	05/11/2021	4a	Governance - Special Project Initiation Requests (SPIRs/SPRRs)	a) Management will ensure that statistics or information provided in the monthly report (such as the Special Project Initiation Requests) is accurate and timely to enable management to make informed decisions.	Associate Director – Estates (CSG) Adaobi Nwachukwu, Special Projects Officer (LBB)	30/10/2021
27	Estates Compliance	05/11/2021	4b	Governance - Special Project Initiation Requests (SPIRs/SPRRs)	b) Management will ensure consistency in its reporting format to guarantee easy comparison of data and relevant information for decision making.	Associate Director – Estates (CSG) Adaobi Nwachukwu, Special Projects Officer (LBB)	30/10/2021
28	Parking - PCN Cancellations	15/09/2021	2a	Cancelling / Issuing Blue Badge PCNs without CAFT Awareness	a) The PCN Cancellation Procedure document will be updated to reflect the new arrangements, including with CAFT with regards to the “one time only educational discretionary” cancellations	Assistant Director, Parking	31/10/2021

29	Parking - PCN Cancellations	15/09/2021	2b	Cancelling / Issuing Blue Badge PCNs without CAFT Awareness	b) CAFT will be informed of all PCNs issued to blue badge holders in accordance with the updated Cancellation Procedure	Assistant Director, Parking	31/10/2021
30	Parking - PCN Cancellations	15/09/2021	2c	Cancelling / Issuing Blue Badge PCNs without CAFT Awareness	c) A system will be put in place to ensure that information about Blue Badge concerns out of hours will be sent to the CAFT team by email.	Assistant Director, Parking	31/10/2021
31	Parking - PCN Cancellations	15/09/2021	2d	Cancelling / Issuing Blue Badge PCNs without CAFT Awareness	d) The parking team will ensure there is consultation with CAFT before any blue badge PCN is cancelled.	Assistant Director, Parking	31/10/2021
32	Parking - PCN Cancellations	15/09/2021	2e	Cancelling / Issuing Blue Badge PCNs without CAFT Awareness	e) Suspected fraudulent usage of disabled blue badges will be reported to CAFT to ensure prompt investigation.	Assistant Director, Parking	31/10/2021
33	Parking - PCN Cancellations	15/09/2021	3a	PCN Appeals, Cancellations and Waivers Processing	a) Management will review their existing cancellation procedures document to ensure the effectiveness and efficiency of the process and reduce inconsistent practices. This should include reporting suspected fraudulent Blue Badge appeals to CAFT.	Assistant Director, Parking	31/10/2021
34	Parking - PCN Cancellations	15/09/2021	3b	PCN Appeals, Cancellations and Waivers Processing	b) Management will ensure that Vehicle registration numbers, addresses and business details given as evidence in support of the appeal are checked to verify that they are genuine.	Assistant Director, Parking	31/10/2021

35	Parking - PCN Cancellations	15/09/2021	3c	PCN Appeals, Cancellations and Waivers Processing	c) As part of the process for considering appeals submitted, details of previous PCN Appeals for the same registration number will be scrutinised (i.e., grounds for the appeal and supporting details provided) to detect deliberate fraud.	Assistant Director, Parking	31/10/2021
36	Parking - PCN Cancellations	15/09/2021	3d	PCN Appeals, Cancellations and Waivers Processing	d) A database of relevant information previously submitted in support of appeals for PCN cancellations will be considered, to be kept for reference purposes.	Assistant Director, Parking	31/10/2021

Appendices

Appendix A: Key performance indicators (KPIs)



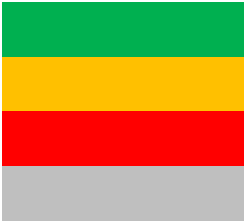
KEY:

Fully Achieved

Partially Achieved

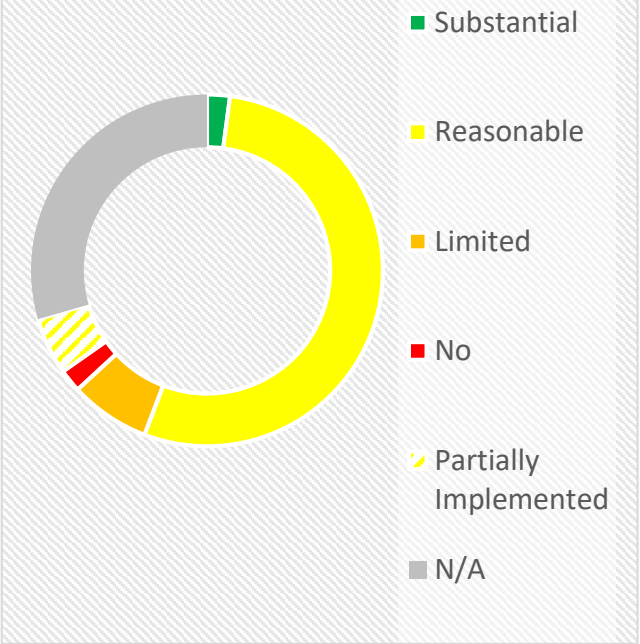
Not Achieved

N/A



KPI	Target	Results	Comment										
1. % Of Plan delivered	71%	71%	Q1 target: 24% Q2 target: 48% Q3 target: 71% Q4 target: 95% Work in progress is incorporated as follows: <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> Up to 50% of target = Not Achieved 51% - 99% of target = Partially Achieved 100% of target = Fully Achieved	Not Started	0%	Planning	20%	Fieldwork	50%	Draft Report	90%	Complete	100%
Not Started	0%												
Planning	20%												
Fieldwork	50%												
Draft Report	90%												
Complete	100%												
2. Verification that at least 90% of High and Medium Risks have been mitigated by management at the time of follow up	90%	89%	0-49% = Not Achieved 50-89% = Partially Achieved 90% = Fully Achieved										
3. Average customer satisfaction score for year to meet or exceed acceptable level for at least 85% of completed surveys	85%	83%	0-49% = Not Achieved 50-84% = Partially Achieved 85% = Fully Achieved Note: 1 of 6 responses rated as Adequate meaning target not met.										

Assurance Ratings



<p>4. % Of reports year to date achieving:</p> <ul style="list-style-type: none"> •Substantial •Reasonable •Limited •No Assurance •Partially Implemented •N/A 	<p>N/A</p>	<p>2% 51% 7% 2% 5% 28%</p>	
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