

Internal Audit – London Borough of Barnet

Appendix 1



Internal Audit Q3 Progress Report 1 October – 31 December 2022



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 2022/23 internal audit plan

1.2.1 We have completed 8 reviews in this current period and to date have delivered 73% of our combined 2022/23 annual internal audit programme. This is above the target of 72%.

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

1.2.2 There was 1 'Limited' assurance report issued in this period:

St James Catholic High School

1.3 Findings of our Follow Up Work

1.3.1 We have commenced follow up work on all **critical and high priority actions** with an implementation date of 31 December 2022 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 31 critical and high priority actions have been followed up in Q3:

- 9 actions have been confirmed as implemented (24%);
- 16 actions have been partially implemented (in Progress) (57%);
- 4 actions have not been implemented (13%)
- 2 actions have not been completed due to Re services transitioning back to LB Barnet (6%)

For the actions relating to Re (Regional Enterprise, the Council's Joint Venture with Capita), as the timeline for transfer has been accelerated from the original agreed date of 1st October 2023, it has been agreed that in some cases the focus of the service will need to be preparing for staff and service transfer.

Re have provided updates and categorised the actions as being viable or not before the revised transfer date of 1st April 2023. For those actions considered not viable, revised deadlines have been agreed with LBB who will now have to take forward the actions post-transfer.

Critical and High priority actions: Follow-up Summary	Total	Implemented	In progress	Not Implemented	Not completed – Transition back to LB Barnet
Total Number of Actions Tested	31	10	15	4	2

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

A total of 31 medium priority actions have been followed up in Q3:

- 5 actions have been confirmed as implemented (16%);
- 19 actions have been partially implemented (in Progress) (61%); and
- 5 actions have not been implemented (16%)
- 2 actions have not been completed due to Re services transitioning back to LB Barnet (7%)

Medium priority actions: Follow-up Summary	Total	Implemented	In progress	Not Implemented	Not completed – Transition back to LB Barnet
Total Number of Actions Tested	31	5	19	5	2
Total actions followed up in Q3	62	15	34	9	4
%		24%	55%	15%	6%

In total, 24% of actions followed up in Q3 have been confirmed as implemented at this time, which is well below the target of 90%. A verbal update will be given to Audit Committee if any evidence of further progress is provided.

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

1.4 Other Matters

1.4.1 Danegrove School – Work done by CAFT

Following a review at the school in May 2021, CAFT assisted IA with scrutinising processes for payments at the school. Work done by CAFT included scrutinising the finance system schedules, bank statements and credit card statements for the year Jan 2020 – Jan 2021. The review of processes did not identify any malpractice, however, it did reveal a lack of transparency within the processing of payments.

The CAFT Team have not been able to establish without any doubt, any irregular activity; however there remains concerns around transparency in financial accounting processes. This would need further investigation and explanation by the school.

1.5 Recommendations

- That the Audit Committee notes the progress made against our 2022/23 Internal Audit Programme.

2.0 Reports with significant impact issued since the previous meeting

2.1 Limited Assurance Reports

2.1.1 St James Catholic High School

Number of Recommendations by risk Category		
High	Medium	Low
1	5	4

Background and Scope

The audit of St James' Catholic High School was carried out as part of the planned School audits for 2022-23. The audit review covered the period April 2021 to October 2022.

St James' Catholic High School is a voluntary aided school with 1283 pupils on role aged between 11 and 18 years of age. The school budgeted expenditure for 2022/23 is £8,799,453 with employee costs of £6,919,272 (79% of budgeted expenditure).

The school was assessed as 'Good' by OFSTED in May 2022.

A review of the seven recommendations reported in the previous audit report dated 14 December 2017 found that four recommendations had been partially repeated (Contracts, Payroll, Governance and Assets).

The aim of the audit is to provide assurance on key areas of financial management. The review covered all major systems within the school to ensure compliance with the Scheme for Financing Schools and the Barnet Financial Guide for Schools, including Barnet Contract Standing Orders for Schools.

The scope of the audit included assessment of the following:-

- adequacy of accounting, financial and other controls;
- compliance with established plans and procedures;
- the integrity and reliability of financial and other information;
- whether assets and other interests of the Council are properly safeguarded; and
- whether the use of resources achieves value for money.

In addition to the above, a review of the 'Schools Financial Values Standard' (SFVS) self-assessment was conducted to ensure that the self-assessment has been completed in line with requirements. The standard has been designed to assist schools in managing their finances and to give assurance that they have secure financial management in place.

Summary of findings

Following our review, we were able to give '**Limited**' Assurance to the school, noting one high, five medium and four low priority issues as part of the audit:

- Financial Planning– The school has stated that they have not received request for payment of heating costs supplied by the District Heating scheme since 2017. The school stated that they have reserved £281,000 to pay unpaid heating. Transfers were made from the local authority account in 2021. The school stated that funds were transferred to the Governors account for heating. Confirmation of accounting treatment had not been agreed with the finance department at the local authority. We are unable to confirm that the amount reserved will cover all outstanding costs. (**High rated**)
- Purchasing– Invoices paid by direct debit and credit card should be signed to confirm that goods/services have been received and the price charged on the invoice has been agreed to purchase order/agreed quotation prior to being passed for payment authorisation. The invoices should be authorised by a senior member of staff and marked with the date paid before being filed. Monthly bank reconciliations and VAT reclaim reports should be presented to a senior member of staff for review before filing. (Medium rated)
- Banking– The school has placed school funds on short term deposit with Natwest Bank. Approval from Governors for fixed term deposits is not included in the school finance procedures. There was no cash flow forecast prepared to support the deposit and provide evidence that the cash would not be required to meet school expenses. The notice of Authorised Signatories was last updated in January 2022. The school was not able to provide evidence that signatories authorised to sign bank documents on behalf of the school were changed to reflect changes in staff after this time. (**Medium rated**)
- Payroll– The school should process all pay awards approved by annual updates to the School Teachers Pay and Conditions document. Monthly monitoring of payroll against budget should include employer pension contributions and employer national insurance costs. (**Medium rated**)
- Voluntary funds– The school Holding account was last audited for the year ended 31 August 2017. Annual Audit certificates should have been prepared and sent to the local authority to show that all voluntary funds were administered as rigorously as public funds. (**Medium rated**)
- Assets– The IT inventory spreadsheet did not include the current location and status for all assets. No evidence that an annual review was made every year was marked on the spreadsheet. Governors were not asked to approve disposal of old IT equipment. (**Medium rated**)

Appropriate actions have been agreed with the school and a follow-up visit will be undertaken to confirm implementation of the high priority actions.

3.0 Progress against plan

The table below represents a summary of the work that we have completed during the period 1st October 2022 to 31st December 2022 or that is currently underway.

Stage	Name of review	Report classification	Total findings	Ratings				
				Critical	High	Medium	Low	Advisory
Q3 – 1 October– 31 December 2022								
Complete	St James' Catholic High School	Limited	10	-	1	5	4	-
Complete	Goldbeaters School	Reasonable	9	-	-	5	4	-
Complete	Friern Barnet School	Reasonable	5	-	-	3	2	-
Complete	Sacred Heart School	Reasonable	6	-	-	2	4	-
Complete	Risk Management	N/A	1					1
Complete	Supporting Families Programme – Payment by Results Q3	N/A						
Complete	CAFT - Review of Fighting Fraud & Corruption Locally (FFCL) self-assessment	N/A						
Complete	Disabled Facilities Grant Certification	N/A						
Total findings in Q3			31	0	1	15	14	1

Draft Report	Homes for Ukraine – Advisory review of the processes in place	TBC						
Draft Report	Compulsory Purchase Orders and Emergency CHAPS Payments	TBC						
Draft Report	Wessex Gardens School	TBC						
Draft Report	Staff Conduct Standards Compliance	TBC						
Fieldwork	Parking – PCN Debt Recovery & Write offs	TBC						
Fieldwork	Kickstart Programme	TBC						
Fieldwork	Disabled Facilities Grant – Risk Based Audit of Processes	TBC						
Fieldwork	Integra & HR Core Replacements - Advisory	TBC						
Fieldwork	Contract Management Toolkit compliance	TBC						
Fieldwork	Registrars	TBC						
Fieldwork	Planning Service	TBC						
Fieldwork	Building Control	TBC						
Fieldwork	National Non-Domestic Rates (NDR)	TBC						
Fieldwork	Pension Contributions	TBC						

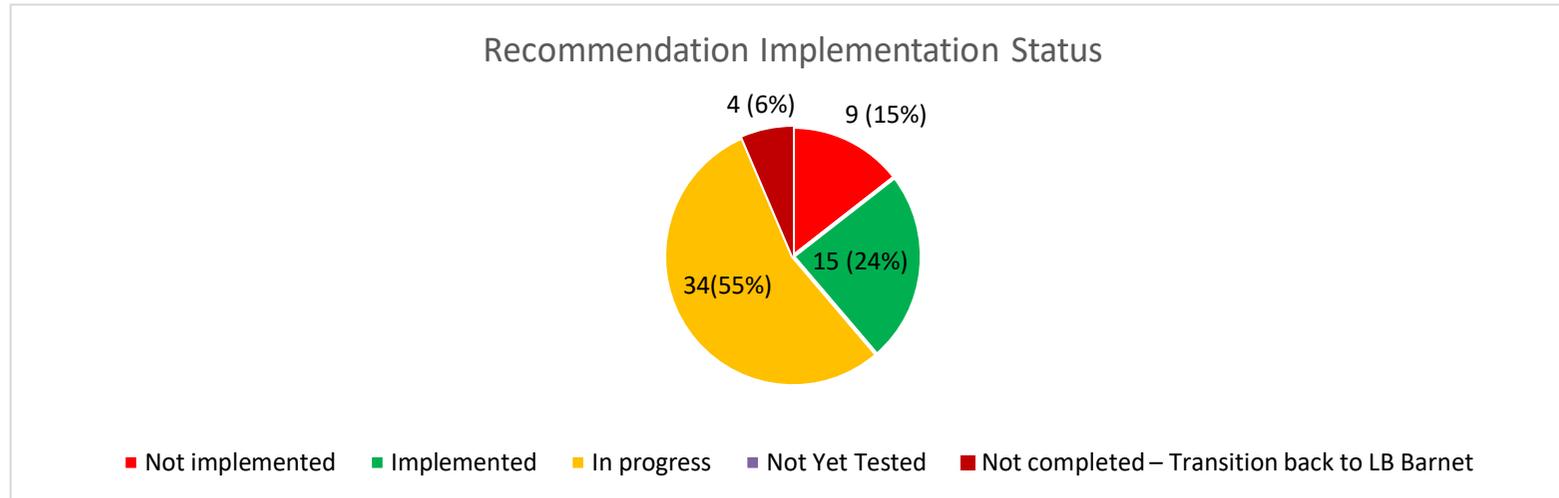
Fieldwork	Cyber Security	TBC						
Fieldwork	Adult Social Care (ASC) Reform Board - Advisory	TBC						
Fieldwork	Recruitment - Pre-employment checks inc. Right To Work	TBC						
Fieldwork	Transformation Programme Governance (Advisory) (replacement for Project Management Toolkit Compliance)	TBC						
Fieldwork	Project Management Toolkit Awareness (replacement for PMT Compliance)	TBC						
Fieldwork	St Michael's Catholic Grammar school	TBC						
Fieldwork	Menorah Foundation school	TBC						
Fieldwork	Schools Estates Project - Advisory	TBC						
Planning	Estates – Building Compliance	TBC						
Planning	Financial Regulations Compliance	TBC						
Planning	DLUHC Grant for Covid Vaccine Champions	TBC						

Planning	Parking Contract Monitoring	TBC						
Planning	Facilities Management – Management of Corporate Assets	TBC						
Planning	Sustainability: Flood Prevention and Electric Vehicle grants	TBC						
Planning	Mandatory Training	TBC						
Planning	Schools Capital Programme	TBC						
Planning	IT Disaster Recovery	TBC						
Planning	Starters-Leavers-Movers (SLaM) follow-up	TBC						
Changes to the Plan								
Removed and Replaced with 2 reviews both in 'Fieldwork' (see above)	Project Management Toolkit (PMT) Compliance							
Cancelled –due to current external assurance work over the functions	Discharges from Hospital							
Deferred to 2023-24 due to undertaking IT Disaster Recovery review first	Business Continuity							

3.0 Follow Up

3.1 Summary

3.1.1 The wheel below demonstrates how many critical, high and medium priority actions due this period have been confirmed as being implemented, in progress, not implemented or have not yet been tested.



3.2 Outstanding actions

3.2.1 During this period we followed up 31 critical and high priority and 31 medium priority actions due by 31 December 2022. 15 actions are confirmed as implemented, whilst a further 34 are in progress. 9 actions have not been implemented and a further 4 have not been completed due to Re services transitioning back to LB Barnet

* 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)

3.2.2 Outstanding High priority actions

	Name of report	Agreed Action	Status (Not Implemented / In Progress / Due but not yet tested)	Owner	Due Date	Slippage*
Strategic Director: Deputy Chief Executive						
1.	Land Charges – Review of Planning Data Controls and Policies December 2020	2.8 We will consider the risks to understand any work that may be required to improve data quality that haven't already been addressed.	<p>Not completed – Transition back to LB Barnet</p> <p>At the last follow-up, the project timeline was reviewed, this showed that the following actions have been completed:</p> <ol style="list-style-type: none"> 1. Service Engagement sessions 2. Sign off Data Custodian Responsibilities 3. Assign Data Custodians 4. Introduction to LLC1 and Con29 Training (provided by Land Data) for Data Custodians 5. Data Custodian engagement <p>For this action to be considered fully implemented, the following actions should be completed:</p> <p>- According to the project timeline the following actions are to be completed between May and December 22, and therefore this action has been marked as partly completed:</p> <ol style="list-style-type: none"> 1. Data Custodians complete Dataset Overviews 2. Identification of quick wins 	Transformation Manager, Re Now: Commissioning Lead, Growth (LBB)	31/3/21 then 31/12/22	2

			<p>3. Delivery of quick win plans</p> <p>4. Data Custodians define their process strengths, weaknesses, opportunities and threats and produce a SWOT analysis document</p> <p>5. Recommendations for future changes to improve</p> <p>Re have confirmed these actions will not be completed prior to service transfer back to LBB on 1st April 2023.</p> <p>Revised implementation date TO BE CONFIRMED</p>			
2.	<p>Local Land charge output review</p> <p>August 2022</p>	<p>1a) Local Land Charge Team and Finance will review their arrangements regarding reconciliations of payments made for LLC searches to ensure there is clarity regarding money paid to the Council, and there is a full audit trail of this process. The review will include documenting how the budget holder is notified that the monies expected have been accounted for in Integra. This will be</p>	<p>Partly completed – Reasonable Progress</p> <p>LLC has produced a procedure document for how to log new search requests and this includes ensuring payment has been taken. Evidence has been seen by Audit.</p> <p>A partially completed a flow chart for this is in draft, a request for LBB finance to map out the finance side of the process has been made. This will bring both elements together in one flow chart. Still awaiting this Document</p> <p>Revised Due date:</p> <p>31 March 2023</p>	<p>Finance Manager - Resources, LBB</p> <p>Group Manager – Private Sector, Housing & Local Land Charges, Re</p>	<p>30/9/2022</p> <p>then</p> <p>31/10/22</p>	2

		documented in a process note.				
3.	Local Land charge output review August 2022	1b) A flow chart will be created clearly detailing how the income from different LLC searches is received by the Council and then treated once the payment has been accounted for.	In Progress A partially completed a flow chart for this is in draft, a request for LBB finance to map out the finance side of the process has been made. This will bring both elements together in one flow chart. Revised Due date: 31 March 2023	Finance Manager - Resources, LBB Group Manager – Private Sector, Housing & Local Land Charges, Re	30/9/2022 then 31/10/22	2
Strategic Director: Executive Director of Assurance						
7.	Premises, Licensing and Gambling May 2022	1a) The team will produce an inspection timetable that will enable the council to ensure that licences are not misused, and clients who have not paid their invoices are not using their licences.	Not Completed - Transition back to LBB A risk rating scheme will be produced to ensure that licenced premises are inspected at a frequency appropriate to the level of risk posed. Once this is available the service will consult with LBB as to its suitability and how this is matched to the resources available in the team. Revised implementation date TO BE CONFIRMED	Group Manager: Regulatory Services - Regulatory Services	30/8/2022 then 30/11/22	2
8.	Premises, Licensing and Gambling May 2022	1b) Inspection reports will be documented, signed by the inspector and the reviewer and be uploaded onto the database for future reference.	Not Completed The Licensing Team Leader is to create code listing to demonstrate that recommendation is in place but will not be completed until the end of December. Revised Due date:	Group Manager: Regulatory Services - Regulatory Services	30/8/2022 then 31/12/22	2

			31 March 2023			
9.	Premises, Licensing and Gambling May 2022	2a) Management will review the debtors and ensure that unrecoverable debts are written off to ensure accuracy of the debt lists.	In Progress Management have confirmed that work is progressing on reviewing the current debtors list to remove bad debt from the list. Internal Audit will review evidence to confirm this work has been completed. Revised Due date: 31 March 2023	Group Manager: Regulatory Services - Regulatory Services	30/8/2022 then 30/11/22	2
10.	Premises, Licensing and Gambling May 2022	2b) The PLG team will review the 64 cases of re-issued invoices and ensure that surrendered or cancelled licences are removed from the database to eliminate the re-occurrence of these erroneous invoices.	In Progress Management have confirmed that all 64 invoices identified have either been credited or are pending credit note approval. Internal Audit will review evidence to confirm this work has been completed. Revised Due date: 31 March 2023	Group Manager: Regulatory Services - Regulatory Services	30/8/2022 then 30/11/22	2
11.	Premises, Licensing and Gambling May 2022	2c) Any customers whose invoice is cancelled, written-off or stopped before the debt materialises or goes bad in previous year will be asked to pay the debt before a licence is reinstated.	Reasonable Progress Management confirmed that action has been implemented and that procedures have been written to ensure that the bad debt is recovered before any suspended licence is reinstated. Internal Audit will review evidence to confirm this action has been completed. Revised Due date: 31 March 2023	Group Manager: Regulatory Services - Regulatory Services	30/8/2022 then 31/10/22	2

12.	Premises, Licensing and Gambling May 2022	2d) The PLG team will ensure that where services and therefore invoicing can be stopped due to licences being suspended, that this is actioned in a timely manner, as agreed in the January 2020 Accounts Payable audit	In Progress Management confirmed that a service diary of deadlines has been set up for ensuring that the suspension tasks are completed on schedule. Revised Due date: 31 March 2023	Group Manager: Regulatory Services - Regulatory Services	30/8/2022 then 30/11/22	2
Strategic Director: Executive Director Children & Young People						
13.	Danegrove School May 2021	3.2 The school will correct accounting entries for VAT reclaimed which was not supported by a valid VAT invoice, in line with advice from the Local authority.	In progress – Substantial Progress Internal audit sent email to the school accountant 8 December 2022 to request a copy of the November VAT claim as an excel workbook – in order to ascertain the corrections for the VAT claimed in error which were included on the original audit report. Revised Due Date: 31 March 2023	Bursar/School Business Manager/Headteacher/Governors	31-May-21 then April 22 then 30/9/22	3
14.	Danegrove School May 2021	4.3 The school will calculate the cost of paying casual staff employed for the school after-school playscheme during the	Not Implemented The Headteacher has been unable to get the information needed as they cannot get access to the Government Gateway. School will review this to	Bursar/School Business Manager/Headteacher/Governors	30-Jun-21 then April 22	3

		period when no income was received by the school, as the playscheme was closed.	determine whether they are able to implement going forward. Revised Due Date: 31 March 2023		then 30/9/22	
15.	Danegrove School May 2021	5.2 The school will complete monthly salary monitoring to comply with the financial guide for schools.	In Progress – Substantial Progress The Head Teacher has informed Internal Audit that the school business manager has been carrying out monthly checks on payroll. There is documentation available to see evidence of this check. School accountant has not confirmed that she is completing the monthly monitoring for budget purposes. Revised Due Date: 31 March 2023	Bursar/School Business Manager/Headteacher/Governors	30-Jun-21 then April 22 then 30/9/22	3
16.	Danegrove School May 2021	6.2 All new contracts issued will refer to Unified Reward terms and conditions. Contracts for non-teaching staff employed after April 2017 will be checked to ensure that they contain the correct terms and conditions.	In Progress – Substantial Progress The Head Teacher has informed Internal Audit that the school business manager has been issuing new contracts and is going through and checking what contracts were issued for staff employed by the previous school business manager. Revised Due Date: 31 March 2023	Bursar/School Business Manager/Headteacher/Governors	23-Jul-21 then April 22 then 30/9/22	3

17.	Danegrove School May 2021	6.5 Information to support the grant claim under the Coronavirus Job Retention Scheme will be filed.	<p>Not Implemented</p> <p>The Headteacher has been unable to get the information needed as they cannot get access to the Government Gateway. School will review this to determine whether they are able to implement going forward.</p> <p>Revised Due Date: 31 March 2023</p>	Bursar/School Business Manager/Headteacher/Governors	23-Jul-21 then April 22 then 30/9/22	3
18.	Danegrove School May 2021	6.7 The school will complete monthly salary monitoring to comply with the financial guide for schools.	<p>In Progress – Substantial Progress</p> <p>The Head Teacher has informed Internal Audit that the school business manager has been carrying out monthly checks on payroll. There is documentation available to see evidence of this check. School accountant has not confirmed that she is completing the monthly monitoring for budget purposes.</p> <p>Revised Due Date: 31 March 2023</p>	Bursar/School Business Manager/Headteacher/Governors	23-Jul-21 then April 22 then 30/9/22	3
19.	Brunswick Park School September 2022	<p>Purchasing</p> <p>All staff will be reminded that school purchases should be paid direct from the school bank account. Where a member of staff makes a purchase using their own credit card and requests reimbursement then proof of delivery to the school of goods</p>	<p>In Progress – Reasonable Progress</p> <p>The School Business Manager has informed Internal Audit that she is in the process of increasing the limit on the school credit card but has not received confirmation from LBB yet.</p> <p>Revised Due Date: 31 March 2023</p>	School Business Manager/Executive Headteacher/Governors	30-Sep-22	1

		<p>purchased should be provided to ensure the reimbursement of purchase cost is authorised by the Executive Headteacher. If the school identifies that purchases can only be made on a credit card where the value of the purchases exceed the credit limit on the current school credit card, the Governors will approve an application for a further credit card linked to the school bank account in the name of the school. The school credit card policy and procedures will be updated to ensure a complete audit trail for items purchased using the school credit card and proof of receipt of goods to school.</p>				
20.	<p>Coppetts Wood School</p> <p>April 2022</p>	<p>Purchasing</p> <p>b) The school will ensure that a purchase order is raised for all relevant goods and services, and this is approved by an authorised signatory. This expenditure will be recorded as a commitment to the school in a manner which allows the amount of committed</p>	<p>In Progress</p> <p>Initial follow-up visit undertaken in September 2022. Additional visit planned for December 2022 but this has now been re-arranged for 5th January. A verbal update will be given to Audit Committee if any further progress is confirmed.</p>	<p>Headteacher/School Business Manager/ Office and Catering staff/Finance assistant/ Governors</p>	30 June 2022	1

		<p>expenditure to be accurately calculated at any time. An audit trail will be available which allows an item to be traced through from ordering through to payment of the invoice. The school business manager and finance assistant will clearly initial on the purchase order form or the invoice that the invoice has been checked for accuracy of quantity, price and calculation against the original order. All goods and services will be checked against a delivery note, for quality and quantity. The check will be recorded (signed for) on the delivery note.</p>	<p>Revised Due Date: to be agreed if applicable at visit on 5th January</p>			
21	<p>Coppetts Wood School</p> <p>April 2022</p>	<p>Purchasing</p> <p>c) The school will document the procedures for ordering catering supplies, ensuring at all times that a separation of duties exists, between purchase order request, purchase order approval and payment, sufficient budget is available, committed expenditure is recorded, and a</p>	<p>In Progress</p> <p>Initial follow-up visit undertaken in September 2022. Additional visit planned for December 2022 but this has now been re-arranged for 5th January.</p> <p>A verbal update will be given to Audit Committee if any further progress is confirmed.</p>	<p>Headteacher/School Business Manager/ Office and Catering staff/Finance assistant/ Governors</p>	30 June 2022	1

		record is kept of delivery to the school.	Revised Due Date: to be agreed if applicable at visit on 5 th January			
22.	Coppetts Wood School April 2022	Purchasing d) The school will approve a credit card policy and use of the school credit cards to ensure that all purchases are reviewed and executed in accordance with requirements as approved within the School's Finance Policy, ensuring at all times that a separation of duties exists between purchase order request, purchase order approval and online payment by credit card, sufficient budget is available, a record is kept of delivery to the school and that approved purchase orders and signed invoices are retained for each purchase for independent review and scrutiny where necessary.	In Progress Initial follow-up visit undertaken in September 2022. Additional visit planned for December 2022 but this has now been re-arranged for 5 th January. A verbal update will be given to Audit Committee if any further progress is confirmed. Revised Due Date: to be agreed if applicable at visit on 5 th January	Headteacher/School Business Manager/ Office and Catering staff/Finance assistant/ Governors	30 June 2022	1
23.	Coppetts Wood School April 2022	Payroll c) Any overpayments to staff or former members of staff will be notified to the	Not Implemented Initial follow-up visit undertaken in September 2022. Additional visit	School Business Manager/External finance officer/Headteacher/ Governors	22 July 2022	1

		Headteacher. The school will keep a record of overpayments in the payroll file and ensure that amounts overpaid are repaid to the school and correcting entries are recorded in the school accounts.	planned for December 2022 to check that all paperwork had been received and the Single Central Record is now up to date but this has now been re-arranged for 5 th January. A verbal update will be given to Audit Committee if any further progress is confirmed. Revised Due Date: to be agreed if applicable at visit on 5 th January			
24.	Coppetts Wood School April 2022	Payroll d) All outstanding staff references will be requested and received. References will be requested at the point of recruitment, and receipt recorded clearly on the single central record.	In Progress Initial follow-up visit undertaken in September 2022. Additional visit planned for December 2022 to check that all paperwork had been received and the Single Central Record is now up to date but this has now been re-arranged for 5 th January. A verbal update will be given to Audit Committee if any further progress is confirmed. Revised Due Date: to be agreed if applicable at visit on 5 th January	School Business Manager/External finance officer/Headteacher/ Governors	22 July 2022	1

3.2.3 Outstanding medium priority actions

	Audit Title	Audit Date	Ref	Finding	Action	Responsible officer	Due date	Progress report for Audit Committee end Q3
1.	Commercial Rents and Leases Renewal Audit August 22	12/08/2022	1a	Lease and Letting Renewals: Rent Review:	a) An additional PI/measure will be introduced which sets out and monitors a deadline to complete rent reviews which have failed the initial PI.	Acting Head of Property Services, CSG	30/12/2022	Not Implemented Due to staff shortage and sickness. Team is now fully staffed, however progress is hampered by resistance of renters and lessors due to cost of living crisis. Revised due date: 30/06/2023
2.	Commercial Rents and Leases Renewal Audit August 22	12/08/2022	1b	Lease and Letting Renewals: Rent Review:	b) The Head of Property and Portfolio Management and the Head of Property Services and Valuation will set out and clearly document, what constitutes successful performance and consistently report on this monthly to CMM. This will take into consideration the circumstances around Covid and LBB's request to cease completing lease renewals and rent reviews in 2018.	Acting Head of Property Services, CSG	30/12/2022	In Progress Due to staff shortage and sickness. Team is now fully staffed, however progress is hampered by resistance of renters and lessors due to cost of living crisis. Revised due date: 30/06/2023

5.	Commercial Rents and Leases Renewal Audit August 22	12/08/2022	2c	Income Collection and Debt Recovery: Bad Debt Write-Off	c) The Head of Property Services and Valuation will liaise with the Accounts Receivable team to obtain the necessary approvals required to write-in the credit notification cases.	Acting Head of Property Services, CSG	30/12/2022	In Progress Revised due date: 30/06/2023
6.	Commercial Rents and Leases Renewal Audit August 22	12/08/2022	4b	Lease and Letting Renewals: Leases Renewal	b) The Head of Property Services and Valuation will ensure that overdue renewals (particularly those that are more than one year overdue) are given priority for completion.	Acting Head of Property Services, CSG	30/12/2022	In Progress Due to staff shortage and sickness. Team is now fully staffed, and this is ongoing, Surveyors have prioritised lease renewals over a year old and making progress with legal instructed. Revised due date: 30/06/2023
7.	Commercial Rents and Leases Renewal Audit August 22	12/08/2022	4c	Lease and Letting Renewals: Leases Renewal	c) The Head of Property Services and Valuation will review the process to reduce the time taken in negotiating lease renewals.	Acting Head of Property Services, CSG	30/12/2022	Not Implemented Delayed due to staff shortage and sickness. Team is now fully staffed. Revised due date: 30/06/2023

8.	Commercial Rents and Leases Renewal Audit August 22	12/08/2022	4d	Lease and Letting Renewals: Leases Renewal	d) Property Services will consider undertaking a benchmarking exercise with other London Boroughs to ascertain comparative performance timelines and if improvements can reasonably be expected.	Acting Head of Property Services, CSG	30/12/2022	In Progress Head of Property Services has contacted other local authorities at LB Islington and LB Haringey and is awaiting feedback. Revised due date: 30/06/2023
9.	Commercial Rents and Leases Renewal Audit August 22	12/08/2022	5a	Lease and Letting Renewals: Legacy Rents and Leases	a) LBB management will facilitate a reconciliation of properties and liaise with CSG to determine properties where legacy rents and leases apply and ensure they are captured and listed for review.	Acting Head of Property Services, CSG	30/12/2022	In Progress LBB and CSG have created a tracker which captures legacy rent review and lease renewals that are outstanding. Revised due date: 30/06/2023
10.	Commercial Rents and Leases Renewal Audit August 22	12/08/2022	5b	Lease and Letting Renewals: Legacy Rents and Leases	b) Management will agree an indicative programme to work through all the overdue rent reviews and lease renewals with an aim that they are completed to a specified and agreed deadline, (this will be dependent on third party responsiveness and any further changes to the law).	Acting Head of Property Services, CSG	30/12/2022	In Progress CSG and LBB are working together a program and surveyors are currently working on rent reviews and lease renewals. Revised due date: 30/06/2023

11.	Commercial Rents and Leases Renewal Audit August 22	12/08/2022	6a	Lease and Letting Renewals: Insurance of Property	a) There will be a regular meeting, of a frequency to be agreed between the insurance team and the Property Services and Valuation team, for the resolution of insurance issues. As part of this, the Property Services and Valuation team and the Insurance team will agree and adopt the best approach of receiving information from each other.	Acting Head of Property Services, CSG	30/12/2022	In Progress Head of Property Services and Valuation and Head of Portfolio Management are having monthly meetings with insurance to discuss any issues. Revised due date: 30/06/2023
12.	Commercial Rents and Leases Renewal Audit August 22	12/08/2022	6b	Lease and Letting Renewals: Insurance of Property	b) Management will ensure that an updated and accurate report of the properties where insurance is to be provided by tenants is prepared and shared with the Insurance team.	Acting Head of Property Services, CSG	30/12/2022	In Progress This is in place, were tenants are responsible for insuring, request for proof of insurance is being requested. Revised due date: 30/06/2023
13.	Commercial Rents and Leases Renewal Audit August 22	12/08/2022	6c	Lease and Letting Renewals: Insurance of Property	c) The Property Services and Valuation team will confirm if all properties that require the tenant or lessees to insure are adequately insured.	Acting Head of Property Services, CSG	30/12/2022	In Progress CSG are requesting from tenants proof of insurances and requesting to see policy which is shared with LBB insurance to confirm cover is adequate.

								Revised due date: 30/06/2023
14.	Commercial Rents and Leases Renewal Audit August 22	12/08/2022	6d	Lease and Letting Renewals: Insurance of Property	d) The Property Services and Valuation team will proceed with the project to move to a new system to enable LBB to update and produce accurate information on all its commercial property.	Acting Head of Property Services, CSG	30/12/2022	In Progress New system meeting in progress. LBB is now leading on this. Revised due date: 30/06/2023
15.	Commercial Rents and Leases Renewal Audit August 22	12/08/2022	8a	Process and Procedures:	The Rent Review by Contractor CSG and Rent Review In-House CSG Estates processes will be formalised and version-controlled as appropriate.	CSG Head of Property Services and Valuation	31/8/22	In Progress Management have confirmed that RICS procedures are in use. Head of Property and Portfolio Management to provide procedure document. Revised due date: 31/12/2022
16.	Commercial Rents and Leases Renewal Audit August 22	12/08/2022	8b	Process and Procedures:	The Head of Property Services and Valuation will produce a word version of the procedures for reference purposes, and to reduce the risk of knowledge loss or gaps in knowledge if	CSG Head of Property Services and Valuation	30/09/2022	In Progress Management have confirmed that RICS procedures are in use. Head of Property and Portfolio Management to provide procedure document. Revised due date: 31 December 2022

					experienced staff leave the team.			
17.	Premises, Licensing and Gambling	30/05/2022	3a	Comprehensive Licensing – Data update	a) A timetable will be agreed for ensuring the ongoing update of the database. This will involve updating information related to surrendered licences, cancelled licences, or transferred licences.	Group Manager: Regulatory Services	30/08/2022	<p>In Progress</p> <p>Evidence has been provided of the working procedures and inputting procedures, but no timetable yet provided.</p> <p>Revised due date: 31 March 2023</p>
18.	Premises, Licensing and Gambling	30/05/2022	3b	Comprehensive Licensing – Data update	b) The PLG team will ensure that the Uniform database is reconciled annually to confirm that all surrendered and cancelled licences have been removed.	Group Manager: Regulatory Services	30/08/2022	<p>Not Completed</p> <p>Currently the service do not carry out whole-scale review of the licensing database due to the size of the task and the resources required.</p> <p>Clarification has been provided on what we need to see to consider this implemented.</p> <p>Revised due date: 31 March 2023</p>
19.	Premises, Licensing and Gambling	30/05/2022	3c	Comprehensive Licensing – Data update	c) The reconciliation documents will be signed by the officer that reconciled it and the senior officer that reviewed the	Group Manager: Regulatory Services	30/08/2022	<p>In Progress</p> <p>Management confirmed that work is currently progressing</p>

					correctness of the process.			on GDPR compliant retention periods. Revised due date: 31 March 2023
20.	Premises, Licensing and Gambling	30/05/2022	3d	Comprehensive Licensing – Data update	d) PLG management will confirm resourcing for the data cleanse and will consider giving higher priority to it i.e. sooner than within the planned 6 months, to ensure accuracy of the information and the invoicing process.	Group Manager: Regulatory Services	30/08/2022	Not Completed - Transition back to LBB Re current position is that, as in similar actions where data reconciliation is required, this is currently being performed manually. In addition, the data cleansing process is also dependent on system enhancements, which are being scoped. There remains the same issue as in September that there is no approval or recourse to provide dedicated resourcing to the data cleanse. It is therefore unlikely that this action will be delivered before the transfer for service.

21.	Premises, Licensing and Gambling	30/05/2022	4a	Invoices and Payments: Debt Recovery	a) The Premises Licensing and Gambling team will implement a process to provide authorisation for the AR team every month to take recovery action against unpaid invoices when the premises cease trading.	Group Manager: Regulatory Services	30/07/2022	<p>Not Completed - Transition back to LBB</p> <p>Re current position is that it is not possible under the current legal process, for unpaid invoices to be subjected to recovery action by the AR team.</p>
22.	Premises, Licensing and Gambling	30/05/2022	4b	Invoices and Payments: Debt Recovery	b) The PLG team will ensure that all cancelled and surrendered licences are removed from its database and customers are not invoiced in subsequent years.	Group Manager: Regulatory Services	30/07/2022	<p>In Progress</p> <p>Management confirmed that the database is now being updated to show surrendered and suspended licences. The procedure note for this process will be updated by the end of December 2022.</p> <p>Revised due date: 31 March 2023</p>
23.	Premises, Licensing and Gambling	30/05/2022	4c	Invoices and Payments: Debt Recovery	c) The PLG team will inspect the 19 sites where invoices have been returned as 'Gone away'.	Group Manager: Regulatory Services	30/06/2022	<p>In Progress</p> <p>Evidence was provided following the 'Week of Action' which shows action taken against cases where the debtor had gone away. There are still outstanding cases where further action is required.</p>

								Revised due date: 31 March 2023
24.	Premises, Licensing and Gambling	30/05/2022	5a	Policies and Procedures – Documentation and Version Control	a) The Group Manager will ensure that the Gambling process and procedure is updated and approved.	Group Manager: Regulatory Services	31/08/2022	<p>In Progress</p> <p>As per management, a total of 37 Working Processes and a total of 37 Inputting processes have been identified relating to Gambling Procedures that will require being updated and approved.</p> <p>The new Group Manager for Commercial Premises joined the service in early December 2022</p> <p>The GM will be tasked with devising a plan of action on drawing up the schedule for the review of all Gambling Procedures (74 in total).</p> <p>The plan of action will be available before transition.</p> <p>Revised due date: 31 March 2023</p>
25.	Premises, Licensing and Gambling	30/05/2022	5b	Policies and Procedures – Documentation and Version Control	b) Management will complete the review of all the procedures and	Group Manager: Regulatory Services	31/08/2022	<p>In Progress</p> <p>Management confirmed that work</p>

					update them accordingly.			continues on this action: Licensing Procedures: A total of 48 Working Procedures, of which a total of 5 have been updated, completed with document control, and signed off by the current Service Director A total of 48 Inputting Procedures, of which a total of 10 have been updated, completed with document control, and signed off by the current Service Director Gambling Procedures A total of 31 Working Procedures, of which none have been updated. A total of 31 Inputting Procedures, of which a total of 10 have been updated, completed with document control, and signed off by the current Service Director Finance Procedures A total of 7 Working Procedures, of which none have been updated.
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								A total of 7 Inputting Procedures, of which a total of 3 have been updated, completed with document control, and signed off by the current Service Director Revised due date: 31 March 2023
26.	Parking - PCN Cancellations 2019-20	15/9/2021	2f	Cancelling / Issuing Blue Badge PCNs without CAFT Awareness	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.	Phillip Hoare, Assistant Director, Parking	31/10/2021	Partly implemented CAFT have provisionally put aside 3 days for NSL blue badge training on 17th, 18th and 19th January 2023 Revised due date: 31 January 2023

3.3 Completed actions

3.3.1 During this period we followed up 10 critical and high priority and 2 medium priority actions which are deemed to have been implemented, superseded or closed. These are listed below:

3.3.2 Completed critical and high priority actions

	Name of report	Agreed Action	Owner	Due Date
1.	Private Residential Blocks – Fire Safety May 2022	b) We will continue to prioritise inspections at known high-risk buildings in the borough to ensure that we are aware of any fire safety hazards and can issue notices/ commence legal proceedings with landlords who do not take appropriate actions to remediate known fire safety risks. We will include the outcome of inspections in the tracker and escalate known issues to senior officers.	Private Sector Housing Manager (Re)	31/12/2022

2.	Private Residential Blocks – Fire Safety May 2022	c) We will formally update the tracker on a regular (e.g., monthly) basis. This will include stating the date each building is risk assessed and obtaining important (and missing) information for high-risk blocks on inspection, such as the details of occupants (to identify whether there are any vulnerabilities) and building owner/ freeholder names.	Private Sector Housing Manager (Re)	30/06/2022 then 31/10/22
3.	Private Residential Blocks – Fire Safety May 2022	d) Where details of new properties are provided (e.g., via referral), we will perform an initial risk-rating based on known data so that the ratings of all buildings included in the tracker are known to officers. This will include buildings between 11-18 metres in height.	Private Sector Housing Manager (Re)	30/06/2022
4.	Local Land charge output review August 2022	1c) Any remaining monies including the £65k identified during the course of the audit, which was not accounted for within Integra will be pursued	Finance Manager - Resources, LBB Group Manager – Private Sector, Housing & Local Land Charges, Re	30/9/2022
5.	Danegrove School May 2021	Critical 1.1 The school will update the Notice of Authorised Signatories	Bursar/School Business Manager/Headteacher/Governors	28/05/2021
6.	Danegrove School May 2021	Critical 1.2 The school will refer to Section 1.2 of the Financial Guide for schools and ensure that sufficient members of staff are included to allow for separation of duties, allow for absences, and ensure that the authorised signatories for cheque signing/BACs authorisation are reflected on the Bank Mandate.	Bursar/School Business Manager/Headteacher/Governors	28/05/2021
7.	Coppetts Wood School	Purchasing	Headteacher/School Business Manager/	30 June 2022

	April 2022	a) Invoices will be filed for all payments made through the bank account. The invoices will be certified in accordance with the Notice of Authorised Signatories.	Office and Catering staff/Finance assistant/ Governors	
8.	Coppetts Wood School April 2022	Payroll a) All changes to payroll and overtime claims will be authorised and filed to support additional payment. A member of staff will sign and date the forms to show that the change has been made in the payroll provider's online payroll portal. When month end pre-payroll reports are received, a member of school staff will check that the changes entered into the payroll portal have correctly been processed by the payroll provider.	School Business Manager/External finance officer/Headteacher/ Governors	22 July 2022
9.	Coppetts Wood School April 2022	Payroll b) The school will retain evidence that any payroll errors due to inputting error are notified to the Headteacher. If a decision is made not to correct the error – this will be clearly recorded on the payroll master list and corrected at the next pay review date. Where the payroll error relates to Headteacher pay, the Chair of Governors will be notified.	School Business Manager/External finance officer/Headteacher/ Governors	22 July 2022
10.	Coppetts Wood School April 2022	Payroll e) The school will complete monthly salary monitoring to comply with the financial guide for schools.	School Business Manager/External finance officer/Headteacher/ Governors	22 July 2022

3.3.3 Completed medium priority actions

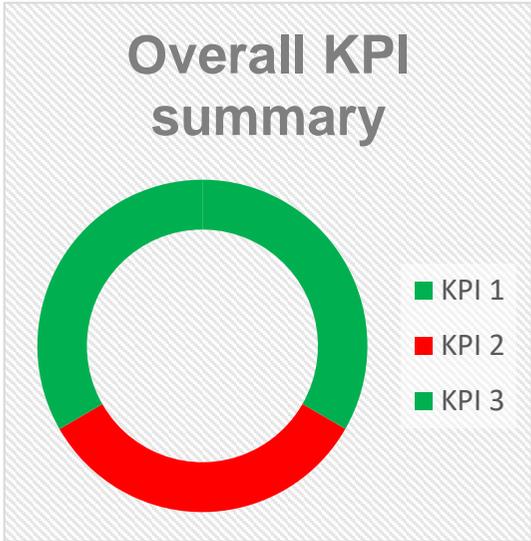
	Audit Title	Audit Date	Ref	Finding	Action	Responsible officer	Due date
1.	Private Residential Blocks – Fire Safety	May 2022	2	Risk rating methodology for high-risk blocks	We will formalise our approach for prioritising inspections/ other activities in relation to fire safety (e.g., enforcement notices) in all blocks identified as high-risk in the tracker. Where there are gaps in relation to known vulnerabilities of occupants, we will obtain this information (e.g., via desktop analysis) where possible, so that we can make an informed decision towards prioritising certain blocks. Where this is not possible, we will obtain this information through inspection and subsequently update the tracker with this information.	Private Sector Housing Manager (Re)	30/06/2022

2.	Private Residential Blocks – Fire Safety	May 2022	4	Absence of a fire safety management policy	We will draft a fire safety management policy in relation to private residential blocks. This will be discussed at the Fire Safety Group and will be reviewed by HBPL prior to formal sign off at the Housing and Growth Committee.	Private Sector Housing Manager (Re) and Head of Housing and Regeneration	30/06/2022
3.	Commercial Rents and Leases Renewal Audit	August 2022	2a	Income Collection and Debt Recovery: Bad Debt Write-Off	a) The Head of Property and Portfolio Management will liaise with the Accounts Receivable team to provide the necessary approvals required to write off the bad debts (Completed as informed by the Head of Service on 28 July 2022)	Acting Head of Property Services, CSG	30/12/2022
4.	Commercial Rents and Leases Renewal Audit	August 2022	2b	Income Collection and Debt Recovery: Bad Debt Write-Off	b) Going forward, the Head of Property and Asset Management will continue to hold monthly meetings with the Accounts Receivable team to ensure the debts are reviewed and authority to pass debts to the debt collector is given in time to reduce bad debts.	Acting Head of Property Services, CSG	30/12/2022

5.	Commercial Rents and Leases Renewal Audit	August 2022	4a	Lease and Letting Renewals: Leases Renewal	a) As for Finding 1 – Rent Reviews, The Commercial Services Team and the Head of Property Services and Valuation will set out and clearly document, via a contract variation, what constitutes successful performance for Lease Renewals and consistently report on this monthly to senior management and quarterly to the appropriate committee.	Acting Head of Property Services, CSG	30/12/2022
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Appendices

Appendix A: Key performance indicators (KPIs)



KEY:

Fully Achieved

Partially Achieved

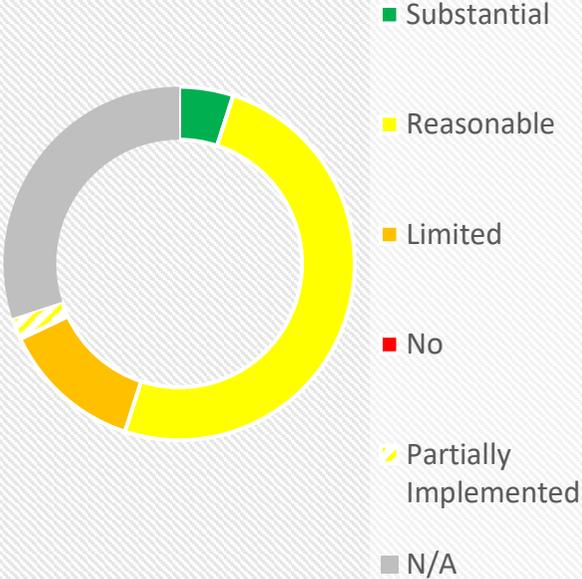
Not Achieved

N/A



KPI	Target	Results	Comment										
1. % of Plan delivered	Q1 to Q3 Cumulative 72%	73%	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> Applying these %s to work in progress shows that we have delivered 73% of our plan for the year against a Q3 target of 72%. Up to 50% = Not Achieved 51% - 94% = Partially Achieved 95% = 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 Critical and High Risks have been mitigated by management at the time of follow up	90%	24%	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%	100%	0-49% = Not Achieved 50-84% = Partially Achieved 85% = Fully Achieved										

Assurance Ratings



<p>4. % of reports year to date achieving:</p> <ul style="list-style-type: none"> •Substantial •Reasonable •Limited •No Assurance •Partially Implemented •Implemented •N/A 	<p>N/A</p>	<p>4% 50% 13% 0% 2% 0% 30%</p>	
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