



**Internal Audit
1st Progress 2014/15
London Borough of Brent
September 2014**

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Executive Summary

Introduction	<p>This report sets out a summary of the work completed against the 2013/14 and the 2014/15 Internal Audit Plans, including the assurance opinions awarded and any high priority recommendations raised. Those audits reported on at previous meetings have been removed, but reference can be made to the full list of assurance opinions in the cover report.</p>
Summary of Work Undertaken	<p>The Final Reports in respect of the 2013/14 period and issued since the last meeting relate to the following areas, with further details of these provided in the remainder of this report:</p> <ul style="list-style-type: none">• Corporate Income Collection;• Key Financial Systems (Pre-migration) – AP/AR/GL (Council)• Disclosure & Barring• Sickness Absence Management• Christchurch Primary School• Placements• Transitions Team• Nursery Education Grants (NEG)• New Millennium Day Centre• John Billam Day Centre• Kingsbury Resource Centre• Contract Audit - South Kilburn - Bronte House and Fielding House Disposal• Homelessness & Temporary Accommodation• NNDR Strategy• Pre – Implementation of OneOracle (Council)• Housing Repairs & Maintenance (BHP)• Key Financials (AP/AR/GL) (BHP)• Management of Non Brent Properties (BHP)• Pre – Implementation of OneOracle (BHP)







Final Reports issued in respect of the 2014/15 financial year to date are as follows:





- Highways Maintenance Contract (High Level Review)
- Parking Contract (High Level Review)
- Troubled Families Grant Claim (Payment by Results) May 2014
- Adoption Reform Grant Certification of Statement of Grant Usage (2013/13)
- Troubled Families Grant Claim (Payment by Results) August 2014 Certification
- Michael Sobell Sinai Primary School
- St Andrews and St Francis School
- Barham Park Trust Accounts (Opinion)

Detailed summary of work undertaken

FULL / SUBSTANTIAL ASSURANCE REPORTS: 2013 /14

Only the assurance opinion and direction of travel is being reported on for those audits for which Substantial Assurance was given. The Committee's focus is directed to those audits which received a Limited Assurance opinion.

Audit	Assurance Opinion and Direction of Travel
General and Computer Audits	
Disclosure & Barring – Safer Recruitment	
Key Financials (AP/AR/GL)	
Homelessness & Temporary Accommodation	
Transitions Service	
Nursery Education Grants (NEG)	
Pre- Implementation of OneOracle	

Audit	Assurance Opinion and Direction of Travel
BHP	
Key Financial Systems (AP/AR/GL)	
Management of Non Brent Properties	 
Pre – Implementation of OneOracle (BHP)	

LIMITED ASSURANCE REPORTS – General Audits

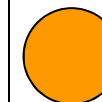
For all Limited Assurance reports, we have included a brief rationale, together with details of any **priority 1** recommendations raised, including the agreed actions to be taken and deadlines for implementation. These are the key audits and recommendations which the Committee should be focusing on from a risk perspective. The only exception is for any BHP reports, for which the details are reported separately to the BHP Audit & Finance Sub-Committee.

Corporate Income Collection

Opened fully in June 2013, the Civic Centre has a number of spaces available for public hire which are managed by the Conference and Events Team. They are responsible for marketing space available for hire at the Civic Centre known as 'The Drum at Wembley'. Spaces available to hire include:

- The Grand Hall;
- The Conference Hall;
- Boardrooms and Terraces;
- The Wedding Garden;
- The Winter Garden; and
- The Atrium.

Nine priority 1, three priority 2, and one priority 3 recommendations were raised.



Recommendation	Management Response / Responsibility / Deadline for Implementation
<p>An operational procedure document should be created outlining respective roles and responsibilities of staff within the Conference and Events Team.</p> <p>In addition this this, the Charging Strategy should be approved by the Director of Regeneration and Growth, or an officer with delegated authority to do so once completed, and this should be formally documented as such.</p> <p>Further to this, the Charging Matrix and the Charging for all Spaces documents should be reviewed as a matter of priority.</p>	<p>Agreed</p> <p>The majority of original procedures and processes for events at the Town Hall become immediately redundant when the Town Hall Functions Team moved to the Civic Centre in June 2013 and became the Conference and Events Team. The first 6 months of occupation were spent having to learn brand new ways of working and new processes within a new environment, with new business objectives and contractors that had never existed before and with only a skeleton team in place whilst</p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
	<p>simultaneously maintaining business as usual for LBB meetings. At the same time departmental restructures were happening and many departmental procedures were changing (specifically HR and Finance) which resulted in constant adjustments being made to processes which directly contributed to the difficulty in establishing standard operating procedures during the first six months at the Civic Centre. It is therefore acknowledged that there are no formal operating procedures in place currently for the Conference and Events Team however there are informal procedures the team follow that are revised regularly as experience is gained event by event and the team are recording these with the intention to formalise them when it is felt they are correct.</p> <p>Formalising procedures and new processes is a team wide objective for 2014/15 and the intention is to have a full set of procedures to govern both the management of internal and external events by the end of the year. We will be working in partnership with our Brent Colleagues and with Europa on the operational procedures as they too have struggled with getting formal procedures into place due to staff changes and an initial settling-in period whilst they adjusted to working in this new building.</p> <p>With regard to the charging strategy this was presented to the Civic Centre board prior to the move and the Head of Conference and Events was of the understanding that, further to no comments being received back from the board when prompted, this had been approved. This document has now been re-submitted to CMT along with recommended charging for all spaces. It must be noted that the original income assumptions for the Civic Centre were based on estimated hire charges that have not</p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
	<p>proved competitive in the current market. Prices currently proposed will be competitive but will generate less income per event than previously anticipated.</p> <p>If the charging strategy and matrix are not signed off quickly this could impact on business.</p> <p>1) SOPs – Conference and Events Team and Europa Catering and Events Manager / Supervisor – Brent Departments (primarily FSC) – In progress In progress with majority to be completed within next 6 months (to Dec 2014) with total completion April 2014</p> <p>2) Charging Strategy Sign off / CMT. We can not sign anything off until it has gone thorough CMT and beyond. Estimated sign off End Sept 2014</p> <p>3) Charging Matrix/for spaces – CMT. In progress.</p>
<p>All required documents should be retained for all bookings, including booking forms as well as booking contracts.</p> <p>These documents should be signed as agreed by both the customer as well as a member of the Conference and Events Team</p>	<p>Agreed</p> <p>However not all documents require a signature so this recommendation is agreed on the condition it only applies to documents requiring a signature and not that a signature is required for any and every document issued.</p> <p>Documentation was always well maintained whilst at the Town Hall but when the team moved to the Civic Centre the original booking documents and bookings terms and conditions were no longer applicable or robust enough to protect the Council when entering into a contractual arrangement with a client. The fact that the documentation and booking process would require revising was highlighted as a concern by the Head of Events to Legal prior to the move and then once again in August 2013 but it</p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
	<p>wasn't until March 2014 that Legal were able to assist – work is still continuing on this documentation as of June 2014 but we do have a draft contract which we are now able to issue. This delay (among other things) led to earlier confusion around what paperwork the team should be issuing to clients. This will explain that why, when audited, the 'booking form', which was actually not an original piece of documentation used at the town hall but introduced at a later stage at The Drum, was not located for 12/20 cases as it wasn't part of the early booking process at the time. As business evolved the team started to use it more and now it has become a part of the formal booking process. With regard to counter signing documents and keeping copies of originals we will ensure this is done as standard. It is also anticipated that, once budget has been approved, there will also be more support within the team to process, monitor and control booking documentation.</p> <p>Conference and Events Team /Legal Department / Immediate</p>
<p>Bookings should be subject to review to check the information obtained as well as the appropriateness of rates charged for venue hire.</p> <p>It is also recommended that checks are undertaken to ensure that an invoice has been raised for each booking taken.</p>	<p>Agreed</p> <p>A Booking Checklist will be created to assist the team through the booking process ensuring that they send out and receive back all the correct documentation required for a booking. During the weekly planning meeting the Conference and Events Manager will check with staff that their documentation is correct and in order prior to events taking place.</p> <p>With regard to checking the appropriateness of rates it is acknowledged that during the first 6 months at the civic centre there was confusion as to how to quote for different</p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
	<p>events as despite a proposed pricing structure being in place it was discovered (only through being at the civic centre) that the price structure didn't suit all the different type of events requests we were receiving. Negotiation, introductory/hourly rates and package pricing was introduced in order to convert the enquiries into sales – without this we would not have been able to take certain bookings. It was through this process that we understand better our market and have now recommended amended prices to CMT for approval. Once we have a clear pricing structure clear guidelines and training will be given to the team with regard to quoting appropriately. Checks will be made to ensure quoting is consistent with guidelines.</p> <p>With regard to ensuring an invoice is raised for all chargeable bookings this will be picked up in the procedures and will be done as part of the booking process now agreed in draft format with Legal. Each team member will be issued with a check list for each booking so they can tick off each action – including raising the deposit or full payment invoice.</p> <p>Conference and Events Team / Conference and Events Manager / Head of Conference and Events. CMT / Head of Conference and Events. Once CMT have approved pricing guidelines will be drawn up and training delivered to the team on quoting. Sept 2014</p>
<p>All bookings are taken in advance of the event. In addition to this, management should determine what actions should</p>	<p>Agreed Historically at the Town Hall payment was always</p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
<p>be taken where event dates arrive and payment has still yet to be taken.</p>	<p>required/received in advance of any chargeable event taking place. It was intended to be exactly the same at Brent Civic Centre however originally the checking of payments was done by the Halls Bookings Assistant but the role became vacant during the move to the civic centre and due to no budget being set the position was not covered (it is the intention of the Head of Conference and Events to re-recruit for this role subject to budget approval). The remaining team members picked up responsibility for checking payments but as this audit has discovered this hasn't been effective.</p> <p>It should also be understood as well that the nature of bookings changed dramatically when the team moved to the Civic Centre. Town Hall bookings were typically made by clients approximately 6 months or more before the event date which allowed plenty of time for paper work and checks to be done and the 30 day payment terms were appropriate. The business at the civic centre was very last minute with some bookings confirming within a month before the event date which meant that invoices raised with a 30 day payment term would often mean the payment date fell after the event date which led to some late payments especially from the corporate sector where the invoices would be processed by a finance department who typically pay to term and not before unless stated on the invoice. It was originally not possible to change the invoice payment terms but we have worked with Oracle and now are able to change the payment terms to suit our timescales and no longer send out invoices that are due after the event date.</p> <p>With regard to checking: Until budget is approved for additional resource, checking for payment will be added to</p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
	<p>the pre-event documentation checklist referred to in earlier recommendations and checks will be made at the planning meetings to ensure payment has been received.</p> <p>In the event of no payment being received this will be flagged to the Head of Conference and Events who will decide whether the event will go ahead or not. Debt control will also be consulted at this stage.</p> <p>Head of Conference and Events / Conference and Events Team / 31st July 2014</p>
<p>A refundable deposit should be taken for all external bookings made.</p>	<p>Agreed in principle</p> <p>This is in reference to the <u>Damages</u> Deposit. This is not to be mistaken with the booking deposit.</p> <p>The FSC changed their procedure on damage deposits when they moved to the Civic Centre which meant that the C&E team were no longer able to take deposits via the usual method. Alternative options explored impacted greatly on the client and were difficult to administer. The Conference and Events Manager has been working with the FSC to find a workable solution and whilst there is now an option it is far from ideal as it involves the client being invoiced for the full amount and then the conference and events team crediting that invoice – this process is lengthy and time consuming and will involve a lot of money coming in and then being refunded by the council regularly which may trigger audit to query this practice.</p> <p>The Head of Events also has concerns over charging large damage deposits for low value bookings as this could impact on the client's ability to confirm their booking and</p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
	<p>we might lose business. This could also be problematic for charities and community groups and ultimately will create a lot of administration.</p> <p>Finally, with regard to damages deposits not being taken since moving to the civic centre there was some confusion during early occupation as to whether a damages deposit would actually be required for smaller venues or bookings of lower value. At the Town Hall it was only taken for PD Hall bookings and not on Board Rooms. There are far more spaces at Brent Civic Centre and guidance from Legal was still being sought on this at the time of the audit which explains why damage deposits were not taken for certain bookings (meeting rooms).</p> <p>We are still working with the FSC to find a way to take a damages deposit which will work for all clients. It is not clear at this stage when a suitable system will be identified. In the meantime we will invoice for this deposit where appropriate.</p> <p>Conference and Events Manager / Head of Conference and Events / FSC. Discussions to start July 2014. Invoicing for Damages to start immediately.</p>
<p>Receipts should be issued for all tea dance tickets sold, and copies of these are retained by the Conference and Events Team.</p> <p>In addition to this, the discrepancies identified should be investigated, and action taken accordingly where required.</p>	<p>Agreed in principle</p> <p>We have already addressed the issue with the discrepancy and it has been resolved.</p> <p>As for the issuing of receipts this has never been done historically. The issuing of receipts will be incredibly</p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
	<p>impractical but The Conference and Events Manager will discuss options with the FSC to bring us inline with the Council's financial regulations.</p> <p>Conference and Events Manager and FSC August 2014</p>
<p>The discounted price offered for parking tickets at the tea dance event should be internally recharged on regular basis.</p> <p>Where this is not completed by Facilities Management, follow-up action should be taken by the Conference and Events team to ensure that this is completed.</p>	<p>Agreed</p> <p>Internal recharging should be done on a monthly basis. If the monthly recharge from FM does not appear on the budget received by the Head of Events each months this will be picked up with FM.</p> <p>FM Client and Head of Conference and Events / End of July 2014</p>
<p>Communication channels with the FSC team should be established so that any instances of bounced cheques or chargebacks and be communicated to the Conferencing and Events Team prior to any refunds being made.</p>	<p>Agreed</p> <p>The FSC do not flag bounced cheques to the Conference and Events Team therefore it is not known if this has happened. The Conference and Events Manager is working with the FSC to determine a way in which to receive this information in a timely manner so that action can be taken with the client.</p> <p>FSC / Conference and Events Manager September 2014</p>
<p>The budgetary weaknesses outlined in the Summary of Findings should be considered as part of the 2014/15 budget setting process, and that a budget is set as a matter of priority that is both challenging and achievable.</p> <p>In addition to this, the Finance Analyst should be reminded of the</p>	<p>Agreed</p> <p>It is recognised across Properties and Finance that no expenditure budget was set for the provision of event services at Brent Civic Centre and that the income budget is not achievable. The Head of Conference and Events</p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
<p>need to provide budget monitoring reports and year end outrun results in a timely manner.</p>	<p>has been working with Finance on a proposed budget. The proposed Budget will be submitted to CMT July 2014 for approval. It must be noted that is there has been a delay setting the budget for 2014/15 that it will not be met as it is based on a full year's business with a full team structure and marketing budget in place.</p> <p>Head of Finance to approve budget / End of September 2014</p>

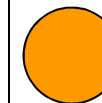
Sickness Absence

The Council's Attendance Management Policy and Procedures aims to provide:

- A structured framework that will enable managers to properly manage the difficult and sensitive area of employee sickness absence; and
- A proactive approach to managing sickness by promoting the health, safety, and well-being of all employees to successfully reduce sickness levels.

Sickness absence management is governed by various statutory legislations including the Employment Rights Act 1996, Employment Relations Act 1999, Employment Act 2002, Disability Discrimination Act, Race Relations (Amendment) Act 200, ACAS Code of Practice on Disciplinary and Grievance Procedures, and Employment Equality (Age) Regulations 2006.

Two priority 1, two priority 2 recommendations were raised.



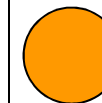
Recommendation	Management Response / Responsibility / Deadline for Implementation
<p>Non completion of the monthly absence data return on AMS should be reported to the relevant Strategic Director of the manager who are failing to record for intervention.</p>	<p>Agreed.</p> <p>Once One Oracle goes live, absence record will become visible to both the manager responsible for recording and also individuals. The increased visibility is expected to improve the timeliness, accuracy, and completeness of the absence records.</p> <p>In the meantime, HR continue to send out reminders to managers to record any absences on AMS. A communication was also included in Brent Manager regarding the importance of updating AMS in May2014.</p> <p>Afzal Ghany – HR Manager / On Implementation of One Oracle</p>
<p>Any instances of non-compliance with the Council's absence management policy should be identified and reported to the Strategic Director of the manager failing to take the required steps or failing to maintain a record of the steps taken. Reporting of non compliance</p>	<p>Agreed. HR has recruited 7 Senior Employee Relations Officers (SEROs) who are working with managers on the management of sickness absence. Any instances of non-compliance are referred to the HR manager in the first</p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
<p>with the absence management policy may be incorporated into the Corporate Dashboard. The required steps include the following:</p> <ul style="list-style-type: none"> • Assessment; • Referrals to Occupational Health where applicable; and • Stage 1, 2 and 3 (meetings where applicable). <p>In addition, performance of the HR Officer in respect of timely follow up of triggered sickness absence should be monitored.</p>	<p>instance. There is also robust management of sickness cases through monthly review meetings where cases are collectively discussed and reviewed by HR Managers and HR Director.</p> <p>Carole Simpson - HR Manager / Ongoing</p>

New Millenium Day Centre

There are four day and residential care centres across Brent as follows:

- Kingsbury Resource Centre (For Dementia Clients);
- New Millennium (Physical Disability Day Centre); and
- Tudor Garden (Residential).
- John Billam Community Resource Centre (Day)



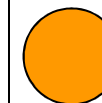
Four priority 1, nine priority 2 and one priority 3 recommendations were raised.

Recommendation	Management Response / Responsibility / Deadline for Implementation
<p>Previous meals records should be reviewed to identify the number/value of any debtor amounts up to the time that the Centre moved to a cashless system.</p> <p>Any amounts identified should be invoiced for so that amounts owed can be claimed.</p>	<p>Agreed.</p> <p>At the time of audit NMDC had 3 Debtor.</p> <ol style="list-style-type: none"> 1- Case 1 - income has been banked in total of £508.00. 2- Case 2 internal transfer of the income will be done for the sum of £251.70. 3- Case 3 - Debt recovery team has already sent letter out to next of kin. <p>Centre Manager / Debt Recovery Team Mid July 2014</p>
<p>All staff at the Centre should be suitably qualified to work with service users in line with post-holder job descriptions.</p>	<p>Agreed. The above recommendation will be discussed on 16th June in DS training needs meeting and leading to further discussion in DMT for approval.</p> <p>Staff has been briefed and is willing to part take in achieving NVQ level 2 as required.</p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
<p>Forecasts should be completed promptly on a monthly basis and detailed notes should be kept outlining the reasons for any variances outlined in the year end forecast.</p> <p>In addition to this, all staff involved in monitoring the budget at the Centre should ensure that they have the skills and training necessary to do so. Where gaps in skills are identified, action should be taken to address this as a matter of priority.</p>	<p>Centre Manager / September 2014</p> <p>Agreed. Regular meetings to be booked with Business Partner team to discuss variances and forecasts. 2014-15 first meeting took place on 5th June with JN.</p> <p>Centre Manager / Ongoing</p>
<p>Records should be maintained by the Centre for both cleaning and food products to show what items they have in stock, when items have been used, and when stock has been replenished.</p> <p>In addition to this, regular stock counts should be undertaken to check that the records are up to date</p>	<p>Agreed. Cleaning materials stock records forms have been created and will be completed by end June 2014 Food stock control records forms have been created and will be completed by end June 2014. Stationary stock control record has been created and will be completed by end June 2014.</p> <p>Centre Manager/Deputy Manager / End of June 2014</p>

John Billam Resource Centre

Seven priority 1, six priority 2 and one priority 3 recommendations were raised.



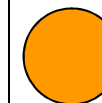
Recommendation	Management Response / Responsibility / Deadline for Implementation
<p>Complete and accurate records should be retained for daily/monthly meal records.</p> <p>The discrepancies that were identified from the January and February 2014 records should be investigated and actioned accordingly.</p> <p>Furthermore, it is recommended that invoices sent to carers/guardians are amended to reflect the correct Council address</p>	<p>Agreed.</p> <p>The catering provision was introduced in December 2013 and as such there have been some inevitable challenges in developing a fool proof system. This is now in place. Discrepancies identified in January and February 2014 will be investigated and reported on.</p> <p>Centre Manager/ 30 June 2014</p>
<p>All staff at the Centre should be suitably qualified to work with service users in line with post-holder job descriptions</p>	<p>Agreed.</p> <p>In-conjunction with the recruitment team all permanent and fixed term staff will be asked to provide a copy of their NVQ level 3 or equivalent qualification. The difficulty in obtaining NVQ level 3 staff from REED agency has been identified with senior management and remains a challenge for the service. This issue will be addressed with to senior management again.</p> <p>Centre Manager / 30 June 2014</p>
<p>Monitoring of mandatory training is undertaken. Where staff have not completed training, this should be followed-up as a matter of priority.</p>	<p>Agreed.</p> <p>All staff will be given a 4 week period in which to ensure that all on-line mandatory training is completed. Copies of completion certificates will be stored on the N drive and</p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
	<p>the centre training record update.</p> <p>Centre Manager / 30 June 2014</p>
<p>DBS checks should be completed for all staff prior to the commencement of employment, and a central database should be used to record name and date of expiry including records for agency staff. Where staff are required to start work without DBS clearance, provisions should be put in place to ensure that they supervised a DBS cleared staff member at all times.</p> <p>The checks should be renewed every three years in line with the Council's policy. Where the Centre identifies that a DBS check is due to expire, action should be taken to ensure that the HR Recruitment Team are aware of this.</p> <p>In addition to this, copies of DBS certificates should not be retained.</p> <p>Furthermore, the staff member dismissed due to allegations of abuse should be reported to the DBS as a matter of priority.</p>	<p>Agreed.</p> <p>The record of DBS for permanent and fixed term staff held at the centre will be updated. All copies of CRB or BDS certificates will be removed from the N drive.</p> <p>Reed agency will be asked to provide an updated list of DBS for all agency staff in working in the building.</p> <p>Referral to DBS of dismissed member of staff is underway and will be completed following final consultation with safeguarding and senior management.</p> <p>Centre Manager / 30 June 2014</p>
<p>Forecasts should be completed promptly on a monthly basis and detailed notes should be kept outlining the reasons for any variances outlined in the year end forecast.</p> <p>The variances outlined in the Summary of Findings should be investigated to understand what action is required and action points should be completed promptly. Furthermore, the budget for the Centre should be reviewed to ensure that amounts are still relevant.</p> <p>In addition to this, all staff involved in monitoring the budget at the Centre should ensure that they have the skills and training necessary to do so. Where gaps in skills are identified, action should be taken to address this as a matter of priority.</p>	<p>Agreed.</p> <p>Centre manager to obtain monthly budget sheets from Senior Finance Analyst (SFA). These budget sheets are to be reviewed and variances outlined. Action to rectify and or explain variances to be detailed on budget sheet and forwarded to Head of Service for discussion in manager's monthly meeting with the SFA present.</p> <p>Centre Manager / 30 June 2014</p>
<p>An Employment Status Questionnaire should be completed for all self-employed staff hired by the Centre in all cases to determine the</p>	<p>Agreed.</p> <p>Employment Status Questionnaires to be completed by</p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
employment status of the individual in question.	all self employed staff Centre Manager / 30 June 2014
<p>All documentation to support purchases made on the prepaid card should be retained and validity and completeness of the supporting documentation should be checked as part of the monthly sign off process.</p> <p>In addition to this, the Centre should follow up on the exceptions identified from our testing.</p> <p>It is recommended that only amounts that are supported with receipts are reimbursed onto the cards</p>	<p>Agreed.</p> <p>Exceptions identified in January and February 2014 are to be investigated and reported on.</p> <p>Centre Manager / 30 June 2014</p>

Kingsbury Resource Centre

Seven priority 1, seven priority 2 and one priority 3 recommendations were raised.



Recommendation	Management Response / Responsibility / Deadline for Implementation
<p>A register should be put in place for income received for service user meals and drinks to show cumulative balances. The register should include, but not be limited to, the following information:</p> <ul style="list-style-type: none"> • Service user; • Date; • Cost of meal and/or drink taken; • Amounts collected; and • Balance showing credit or debit amount. <p>The income spread sheet currently maintained by the Centre may be replaced with the above to avoid duplication.</p> <p>In addition to this, the Centre should ensure that the amounts entered onto the income spread sheet (new register as recommended above) is checked against the daily register.</p> <p>Debtor balances should be reviewed on a regular basis by a senior officer to check that outstanding balances are being chased.</p>	<p>This recommendation is no longer applicable.</p> <p>KRC went cashless from 1st April 2014 which has resulted in Brent Finance directly invoicing respective KRC Service Users on a monthly basis.</p> <p>As part of this process, Brent Finance require KRC BSO to prepare a monthly Batch invoice, which outlines the list of dates each Service User had a meal for that particular month, as well as confirming Service User personal information e.g. Post Code (double-check address is correct).</p> <p>Also this spreadsheet records details of any meal cancellations daily.</p> <p>This ensures KRC meal provider, currently Ashford Place Catering Company, invoices appropriately for each respective Service User on a monthly basis.</p>
<p>A reconciliation should be undertaken on a monthly basis between the number of meals taken as per the Centre's record and the number of meals being charged for by the supplier.</p> <p>In addition to this, a periodic analysis of meals income against the cost of meals should be undertaken to determine whether the current prices being charged are appropriate to provide a continued and sustainable service.</p>	<p>Agreed.</p> <p>Currently Ashford Place monthly invoices are reconciled by checking monthly invoices received against KRC monthly MOW Register in consultation with KRC managers. Also as a follow up to this BSO can double check against KRC Service User monthly Attendance record should any queries arise e.g. re Service User</p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
	<p>attendance for the month or in relation to meals cancelled.</p> <p>(Please note KRC MOW Register for the month records the number of Meals and the total number of Drinks each Service User consumes on a monthly basis. This Reconciliation will be counter-checked and signed by KRC management. This will contain a Meal column and a separate Drinks column).</p> <p>Ashford Place monthly charges should correspond with KRC monthly Meal expenditure.</p> <p><u>Audit Comment</u></p> <p>In addition to the monthly reconciliation and as indicated in the recommendation, periodic cost analysis of meals income against the cost of meals should be undertaken to determine whether the current prices being charged are appropriate to provide a continued and sustainable service.</p> <p>Centre Manager / Immediate</p>
<p>The quarterly health and safety reviews should be resumed as a matter of priority.</p> <p>In addition to this, the Centre should contact the Council to seek clarification on who is responsible for completing outstanding actions in the annex. Where the Council confirms that the Centre is not responsible for implementing remedial actions for the annex, the Centre should request that the annex's inspection outcome be provided to the responsible department.</p>	<p>Agreed.</p> <p>This has been carried out this month and the relevant documentation sent to H&S Advisor and recorded in the relevant Fire Book and stored on the Computer in the appropriate folder.</p> <p>The Centre is also responsible for taking corrective actions over the Annex.</p> <p>Centre Manager / Immediate</p>
<p>All qualifications required for the post should be evidenced as part of</p>	<p>Agreed.</p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
<p>the recruitment process, and that copies of these are retained on staff personnel files.</p>	<p>All staffs have the fitting qualifications except for 1 member of staff who is in the process of achieving this qualification.</p> <p>Copies of staff qualifications are scanned and retained on staff personal files on the computer.</p> <p>All staff training certificates have be scanned to 'N' drive and put on personal files.</p> <p>The Centre Manager will provide copies of the qualification to demonstrate this.</p> <p>Centre Manager / Already Implemented</p>
<p>CRB/DBS checks should be completed for all staff and that a central database should be used to record name and date of expiry. The checks should be renewed every three years in line with the Council's policy.</p> <p>In addition to this, copies of CRB/DBS certificates should not be kept for any longer than 6 months and the DBS policy on Storage and Retention of Disclosure information should be followed.</p> <p>The DBS policy on Storage and Retention of Disclosure information can be found in the DBS's website, http://dbsdirect.co.uk/customer-page.php.</p>	<p>Agreed.</p> <p>Folder on the "N drive" stores the relevant information. All staffs have the appropriate documentation and records will indicate when to renew.</p> <p>It should be noted that HR is responsible for notifying the service when the staff's checks fall due for renewal.</p> <p>Audit Comment</p> <p>As indicated in the recommendation, copies of CRB/DBS disclosures should not be kept for any longer than 6 months and the DBS policy on Storage and Retention of Disclosure information should be followed.</p> <p>HR / Immediate</p>
<p>Forecasts should be completed promptly on a monthly basis and detailed notes should be kept outlining the reasons for any variances outlined in the year end forecast.</p> <p>In addition to this, the variances outlined in the Summary of Findings</p>	<p>Agreed.</p> <p>This will be undertaken in conjunction with Business Finance Analyst once a month to identify budget</p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
<p>should be investigated to understand what action is required and action points should be completed promptly.</p>	<p>expenditure. Manager came into post in April 2014.</p> <p>Centre Manager / Immediate</p>
<p>All documentation to support purchases made on the prepaid card should be retained and validity and completeness of the supporting documentation should be checked as part of the monthly sign off process.</p> <p>In addition to this, the Centre should follow up on the exceptions identified from our testing. (Details are shown opposite)</p>	<p>Agreed.</p> <p>All document and expenditure is sent to the relevant finance department on a monthly basis with correct receipts and signed by the Deputy Manager, Manager & Head of Service.</p> <p>Current Manager & Deputy Manager have a tracking sheet designed for purchasing goods and the amount and reason for expenditure.</p> <p>Centre Manager / Immediate</p>

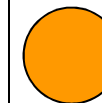
Capital Project – South Kilburn Bronte & Fielding House Disposal

Network Housing Ltd. was selected via mini-tender from the South Kilburn Regeneration Developer Framework as the delivery partner responsible for the demolition of buildings on the Bronte House and Fielding House sites.

The Council was responsible for securing vacant possession of the site, and resolving all legal issues associated with tenancies and telecommunications equipment.

The completion date in respect of the Development and Sales Agreement was achieved on 3rd December 2013 when Network Housing Ltd. became responsible for removal of chattels, fixtures and fittings, vehicles and equipment, demolition of buildings and structures, decommissioning and removal of telecommunications and utility infrastructure and conduits (including substations and associated service media) and removal and disconnection of CCTV equipment and apparatus.

Two priority 1 and three priority 2 and two priority 3 recommendations were raised.



Recommendation

All project documentation should be retained in appropriate project files that are readily accessible and can be made available as necessary

Management Response / Responsibility / Deadline for Implementation

Agreed.

In response to the Audit findings, the following changes will be implemented;

- All future procurement process will be run via the Council's e-procurement portal. Therefore all associated procurement documents will be completed and retained on the Council's e-procurement portal providing the required audit trail. Historically the tender opening form is held by Legal and Democratic Services
- All project documentation is now completed and retained electronically on Verto providing the required audit trail.
- New arrangements will be set up with Corporate Finance to ensure copies on the General Ledger are received and kept on the project files. Historically transaction log from the General Ledger are held by Corporate Finance and reconciled on an annual basis only.

Programme Manager / 1 July 2014

Audit Comment

We would not expect full transactions logs to be kept; one was required to provide a snapshot at the time of audit. These should be capable of being produced at any time by the management accountant. Project managers should for example be able to get one to analyse their budgetary control statements for any variances of actual against projected spend. If one has been obtained (and it may only be for certain codes where variances are being examined rather than every subjective code within the project centre), then we would expect that to be kept with the budgetary control report for that month/reporting period to evidence that the project manager/budget holder has reviewed the variance for any anomalous entries to the ledger. We would not expect a full ledger interrogation every month across all codes, only those that require investigation of variances. However, if full ones are now being undertaken, operational management may wish to keep the whole thing. We only expect that bit relating to variance investigation.

All programme/project budgetary control documents should be produced correctly.

The current workbook should be checked for errors and corrected with immediate effect.

The "SK Cashflow 201[x] 12014 as of [xx xxxx 201x]" should be updated and retained on a monthly basis to support regular and timely management reporting

Agreed.

In response to the Audit Findings, the following changes will be implemented;

- officers will be required to complete monthly cashflow reconciliations and submit them to finance for approval for approval
- All project expenditure and budget controls will be recorded and monitored via One Oracle once implemented

New arrangements will be set up with Corporate Finance to

	ensure copies on the General Ledger are received and kept on the project files. Historically transaction log from the General Ledger are held by Corporate Finance and reconciled on an annual basis only.
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Placements (Children)

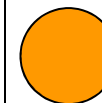
Under the Children Act 1989, the Council have a general duty to safeguard and promote the welfare of children within their area who are in need.

The Council must assess a child's needs and promote the upbringing of children by their own families if safe to do so. Where it is not possible to place a child within their own family or community, the Council must ensure that the placement made fulfil the child's needs and provide adequate protection whilst also ensuring that value for money is achieved as part of the commissioning process.

Options for placement include adoption, long term foster care, short term foster care or residential care to meet the child's needs for protection and stability.

If the Head of Service for Placements confirms that no Brent option is available for the child, the service then look to the Private and Voluntary (P&V) provider market. For any new P&V providers, the Ofsted rating is required to be checked and references taken from other local authorities. The service is responsible for negotiating prices and seeking value for money for P&V placements.

Four Priority 1, four priority 2 and two priority 3 recommendations were raised.



Documents relating to placements, as well as providers used should be retained and stored on FWi. This should include, but not be limited to the following:

- Copies of placement referrals as well as Head of Service approval for child to become LAC;
- Head of Service Approval to find a placement in the P&V market;
- Two LA references for new providers, with one being from the home LA where suppliers are used outside of the WLA agreement;
- Information to show the date the first time a provider is used as a placement provider;
- Copy of the Ofsted report showing the rating at the first point the provider is used, as well as copies of subsequent reports;

Agreed.

The Commissioning and Resource Team are carrying out regular checks with residential providers to ensure their regulation 33 visits are in place and shared with Brent. All relevant placement information should be loaded onto the child's file – specifically Head of Service approval, Ofsted reports and safeguarding criteria.

Head of Placements / 15th September 2014

<ul style="list-style-type: none"> • LAC Tracking forms; • Safeguarding forms completed for each placement proposed; and • Approval for changes of care package elements from delegated officers. <p>In addition to this, consideration should be given to whether spot checks on a sample of placements should be undertaken on a regular basis to ensure that all required documentation is in place.</p>	
<p>Details of Manager reviews including the comments and sign off should be recorded on care plans in all cases.</p> <p>In addition, updated care plans should be completed and loaded onto FWi in all cases prior to the next LAC review meeting.</p> <p>The reporting function on FWi should be used to identify any outstanding reviews on a regular basis, with actions taken where outstanding reviews are identified.</p> <p><i>(NB: It is acknowledged that care plan reviews are undertaken at the LAC review with an Independent Reviewing Officer. However, the recommendation above relates to the internal reviews for accuracy and completeness by the team manager)</i></p>	<p>Agreed.</p> <p>An audit process is in place to ensure that care plans are being consistently completed by social work teams. IRO service will inform the team manager where there are concerns about completion of care plans and updating them in a timely way. It is not always required, particularly for stable long-term children's cases that a manager review and sign off each care plan.</p> <p>Head of Service Care Planning and Children In Need 30th September 2014</p>
<p>LAC reviews should be undertaken by an IRO in line with statutory timeframes and that evidence of these reviews should be retained on FWi in all cases.</p>	<p>Agreed.</p> <p>This is a statutory requirement.</p> <p>Interim Head of Safeguarding Ongoing Monitoring</p>
<p>All outstanding signed remittance slips should be chased and these should be retained once obtained.</p> <p><i>NB: It is acknowledged that the exceptions opposite were only due to</i></p>	<p>Agreed. A system for recouping overpayments through the Oracle system has been set up. The FWi financial process mitigates against the risk of overpayment.</p> <p>Head of Placements / 15th September 2014</p>

the flexibility applied for the new process and we were informed that no further payments will be made without a signed remittance slips. The focus of this recommendation is with regards to ensuring that the outstanding remittance slips from the initial month(s) of the new payment run process continue to be chased until obtained. This is also key given that providers no longer issue invoices.

LIMITED/NIL ASSURANCE REPORTS – School

Christchurch Primary School

Ten priority 1; twelve priority 2 and one priority 3 recommendations were raised as a result of this audit. All of our recommendations were agreed for implementation by the School.








Non Assurance Work

NNDR Strategy	
Objective and Scope	The focus was to assess the steps taken by management to deal with the introduction of the local Business Rates retention schemes in April 2013. It should be noted that this work was not a certification of the NNDR1 (return to DCLG).
Conclusion	Overall, there was evidence that considerations were given and steps were taken to manage the following risks arising due to the introduction of the local Business Rates retention scheme: <ul style="list-style-type: none">• Inaccurate budgeting of the retention amount; and• Fall in debits
Recommendations	No recommendations were raised.

2014/15 Financial Year

FULL / SUBSTANTIAL ASSURANCE REPORTS: 2013 /14

Audit	Assurance Opinion and Direction of Travel
General and Computer Audits	
Highways Maintenance Contract (High Level Review)	
Parking Contract (High Level Review)	
SCHOOLS	
Michael Sobell Sinai Primary	 
St Andrews and St Francis School	





NON-ASSURANCE WORK

Troubled Families Grant Claim Certification	Certification of 2 Grant Claims as follows: <ul style="list-style-type: none">• 2 Payment by Results Claim This is a grant which the Head of the Audit & Investigations Team is required to certify the grant claims. This funding is for the DCLG's Troubled Families programme which is aimed at reducing the cost of problem families. The government is providing funding to cover up to 40% of the cost of interventions for these families. This will be paid primarily on a payment by results basis. The DCLG will make available up to £4,000 for each troubled family that is eligible for the payment-by-results scheme. A proportion of this is paid upfront as an "attachment fee" for the number of families that the local authority starts working with, and the rest will be paid following positive outcomes with these families.
Adoption Reform Grant	Certification of Statement of Grant Usage for the 2013/14 Financial Year
Barham Park Trust Accounts	Independent Examiners Report on the accounts for Barham Park Trust for 2013/14 (A charitable organisation for which the council is trustee)

Appendix A – Definitions

Audit Opinions




We have four categories by which we classify internal audit assurance over the processes we examine, and these are defined as follows:

	Full	There is a sound system of internal control designed to achieve the client's objectives. The control processes tested are being consistently applied.
	Substantial	While there is a basically sound system of internal control, there are weaknesses, which put some of the client's objectives at risk. There is evidence that the level of non-compliance with some of the control processes may put some of the client's objectives at risk.
	Limited	Weaknesses in the system of internal controls are such as to put the client's objectives at risk. The level of non-compliance puts the client's objectives at risk.
	None	Control processes are generally weak leaving the processes/systems open to significant error or abuse. Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.

The assurance grading provided are not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board and as such the grading of 'Full Assurance' does not imply that there are no risks to the stated objectives.

Direction of Travel

The Direction of Travel assessment provides a comparison between the current assurance opinion and that of any previous internal audit for which the scope and objectives of the work were the same.

	Improved since the last audit visit. Position of the arrow indicates previous status.
	Deteriorated since the last audit visit. Position of the arrow indicates previous status.
	Unchanged since the last audit report.
No arrow	Not previously visited by Internal Audit.

Recommendation Priorities

In order to assist management in using our internal audit reports, we categorise our recommendations according to their level of priority as follows:

Priority 1	Major issues for the attention of senior management and the Audit Committee.
Priority 2	Important issues to be addressed by management in their areas of responsibility.
Priority 3	Minor issues resolved on site with local management.

Appendix B – Audit Team and Contact Details

London Borough of Brent	Contact Details
Simon Lane – Head of Audit & Investigations	✉ simon.lane@brent.gov.uk
Aina Uduehi – Audit Manager	☎ 020 8937 1260
	✉ aina.uduehi@brent.gov.uk
	☎ 020 8937 1495

Mazars Public Sector Internal Audit Limited	Contact Details
Mark Towler – Director	✉ miyako.graham@brent.gov.uk
Miyako Graham – Senior Audit Manager	☎ 020 8937 1491
Shahab Hussein – Computer Audit Sector Manager	