



Internal Audit Annual Report

Brent Council

2021-22

1. Introduction

This report outlines the work undertaken by Internal Audit in respect of delivery of the 2021-22 Internal Audit Plan.

The report is intended to support the Council's Management Team and the Audit and Standards Advisory Committee in obtaining assurance that the Council has a sound framework of governance, risk management and internal control. It does this by summarising delivery of the Internal Audit plan, updating on the performance of the function, highlighting areas where high priority recommendations have been made and commenting on the level of implementation of audit recommendations by management.

The report has been structured to cover the following sections:

- Role of Internal Audit – *page 2*
- Delivery of the 2021-22 Plan – *pages 2-6*
- Follow-up activity – *page 6*
- Head of Audit Opinion – *pages 6-8*
- Quality Assurance and Improvement Plan – *pages 8-10*
- Appendix A – Status and delivery of the 2021-22 Plan
- Appendix B – Summary of audits completed in Q4 2021-22
- Appendix C – Summary of follow-up activity

2. Role of Internal Audit

The Council's Internal Audit function is delivered in accordance with the Public Sector Internal Audit Standards (PSIAS). The PSIAS set out the requirements for public sector internal auditing and encompasses the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework. The delivery of the service is also underpinned by the Internal Audit Charter (approved by the Committee in December 2021), which defines the purpose, authority, responsibility and position of Internal Audit within Brent Council.

A professional, independent and objective internal audit function is a key element of good governance. The PSIAS defines internal auditing as *'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'*.

The Internal Audit function operates a co-sourced service delivery model, where internal audit services are provided by in-house staff, with a small portion of work delivered by a co-sourced provider, PwC.

3. Delivery of the 2021-22 Plan

The service complies with the requirements of the PSIAS by ensuring that an annual risk-based audit plan is prepared and delivered.

The 2021-22 Internal Audit Plan was approved by the Audit and Standards Advisory Committee in March 2021. The plan originally had a total of 37 audits

(excluding follow up reviews, schools audits and advisory work) together with 13 audits that were carried forward from 2020-21.

During the year and through delivery of the plan the Internal Audit function liaised with senior management and stakeholders to ensure that all planned audit work continued to focus on high risk areas and considered any new or emerging issues. Following this liaison and consultation, the plan was reviewed and re-prioritised in Q3 to ensure that all key and priority audits could be completed in-year. This resulted in the deferral of non-priority audits, as reported to the Audit and Standards Advisory Committee in January 2022. These audits were subsequently considered as part of the 2022-23 planning process, where appropriate.

Summary outcomes

A summary of the performance against the 2021-22 Internal Audit Plan is shown in the table below. A detailed summary of the status of each audit included within the plan can be seen at **Appendix A**.

Summary of Internal Audit Activity (as at 30 April 2022)	Number
Audits carried forward from 2020-21 (final report issued)	13
Audits per the 2021-22 Plan	37
- Audits completed (final report issued)	8
- Audits draft report issued	5
- Audits at fieldwork complete stage	3
- Audits in progress	2
- Audits carried forward to 2022-23	8
- Audits deferred	11
Additional reviews completed (and report/memo issued)	4
Additional reviews in progress	2
School audit reviews completed	8
Follow-up reviews completed	15

The following seven audits either remain in progress, or fieldwork has been completed and the draft reports are being prepared:

- ASC Budget Monitoring
- Fostering
- Purchasing Cards
- Contract Management and
- Debt Management
- Building Control Finance (management request additional review)
- Voids Management (management request additional review).

It is anticipated that these will be finalised by end Q1 2022-23.

Five audits are at draft report stage and are awaiting finalisation of management responses:

- I4B/FWH Health and Safety Compliance
- Flexible Working

- Council Companies and Governance
- Equality Strategy
- Key Financial Controls

Eight audits have been carried forward and will now be completed as part of the 2022-23 plan:

- Demand for Services
- Fire Safety
- Grant Management
- Local Services Project
- Brent Commissioned Arrangements
- Property Valuations
- System Financial Processes
- Climate Change and Sustainability.

Risk ratings

For each review undertaken, where gaps or weaknesses in the design and operation of controls are highlighted, or where areas for the further improvement/enhancement of controls are identified, recommendations are raised and agreed with management.

Findings and issues raised by Internal Audit (and therefore the resulting recommendations) are graded in terms of the associated level of risk. An indication of the level of assurance and confidence provided from an audit review is therefore gained by examining the number and level of issues identified.

The following definitions are used to inform these ratings:

Critical	A finding that could have a: critical impact on operational performance; critical monetary or financial statement impact; critical breach in laws and regulations that could result in material fines or consequences; and/or a critical impact on the reputation or brand of the organisation which could threaten its future viability.
High	A finding that could have a: significant impact on operational performance; significant monetary or financial statement impact; significant breach in laws and regulations resulting in significant fines and consequences; and/or a significant impact on the reputation or brand of the organisation.
Medium	A finding that could have a: moderate impact on operational performance; moderate monetary or financial statement impact; moderate breach in laws and regulations resulting in fines and consequences; and/or a moderate impact on the reputation or brand of the organisation.
Low	A finding that could have a: minor impact on the organisation's operational performance; Minor monetary or financial statement impact; minor breach in laws and regulations with limited consequences; and/or a minor impact on the reputation of the organisation.

The below table summarises the number of issues raised in-year in respect of the delivery of the 2021-22 plan:

	Number	%
Total number of issues raised in 2021-22:	72	
Critical risk	0	<i>0%</i>
High risk	10	<i>14%</i>
Medium risk	49	<i>68%</i>
Low risk	13	<i>18%</i>

A detailed summary of the number and level of risk issues raised against each audit included within the 2021-22 plan can be seen at **Appendix A**.

Quarterly progress and update reports are presented to the Audit and Standards Advisory Committee in-year, summarising completion against the agreed plan. As part of these updates, the Committee receives a summary of completed audits, which includes details of any Critical, High or Medium risk issues identified. For audits completed in Q4 2021-22, a summary of the issues can be seen at **Appendix B**.

Additional Reviews

Internal Audit continued to carry out consultancy and advice work during the year, where required and/or requested. During the year, a total of six additional pieces of work have been undertaken, including:

- Housing voids management;
- Commercial supplier registration;
- Duplicate payments;
- Building control finance; and
- Water bill liability refunds

Internal Audit have continued to complete the periodic reviews of payment claims for the Supporting Families Programme and carried out grant determinations.

School Reviews

A programme of school audits is undertaken to provide assurance over the key governance arrangements and financial management controls in place within individual schools. 10 school audit reviews were scheduled to be carried-out as part of the 2021-22 plan, in addition to a follow-up review relating to an audit completed in 2020-21.

As at 30 April 2022:

- Eight reviews have been completed;
- One follow-up review completed;
- Two reviews have been carried forward to 2022-23.

Due to the impacts of the pandemic we had previously been operating a revised approach to school audits, including reviewing documentation remotely and carrying out virtual meetings with the schools to discuss any issues arising. However, during 2021-22 we have been able to resume visiting schools to undertake their review, which has led to a more efficient and productive audit process.

4. Follow-up Activity

Internal Audit recommendations emanating from all planned audit work is subject to follow-up to ensure that agreed actions have been implemented.

During 2021-22, 15 follow-up reviews were completed, which sought to evidence that 164 actions had been implemented as agreed. The results of which is summarised in the below table:

Action Status	High	Medium	Low
Total Actions	33	112	19
Implemented	19	66	15
Partially Implemented	9	32	1
Not Implemented	5	14	2
No longer relevant or superseded	0	0	1

Details of follow-up activity relating to 2021-22 can be seen at **Appendix C**. It should be noted that follow-up outcomes are reported as at the time of concluding the follow-up review. As a result, and owing to the time that may have elapsed since, the rate of implementation may have since changed. Internal Audit continue to review implementation of recommendations with Management, and in line with usual practice, will report any instances of persistent non-implementation of recommendations to the Committee.

Where actions were found to remain partially or not implemented, Internal Audit agree revised implementation dates with management and undertake further reviews to confirm implementation, where appropriate. Details of all outstanding recommendations are also reported periodically to departmental management teams.

5. Head of Internal Audit Opinion

The Public Sector Internal Audit Standards (PSIAS) requires the Head of Internal Audit (HIA) to provide an annual opinion that can be used by the organisation to inform its annual governance statement.

The PSIAS, and CIPFA's guidance on *the 'Role of the Head of Internal Audit in Public Service Organisations'* require that the HIA's overall opinion is objective and supported by sufficient, reliable, relevant and useful information and evidence. The HIA opinion should also take into account the strategies,

objectives and risks of the Council; expectations of senior management and stakeholders; and both internal audit work and other sources of assurance.

The HIA opinion for 2021-22 is:

Reasonable Assurance

The adequacy and effectiveness of the overall arrangements for the Council's systems of internal control, risk management and governance are adequate, with some improvement required.

In summary, it is the HIA's opinion that an overall rating of *Reasonable Assurance* is appropriate for 2021-22. Although some high-risk rated recommendations have been raised in individual audit reviews, these were broadly isolated to specific systems or processes. Furthermore, no critical risk issues were raised in-year. This opinion is consistent with the opinion provided in previous years.

Basis of opinion

The HIA opinion is supported by the delivery of the 2021-22 audit plan, which identified no critical concerns in respect of the Council's internal control, risk management or governance arrangements. Where weaknesses were identified during individual audits, these were not considered to be significant, in aggregate, to the Councils overall governance arrangements and system of internal control.

A comprehensive approach was followed in the drafting and delivery of the 2021-22 audit plan to ensure that this focussed on the high risk areas and provided assurance over the key aspects of the Council's internal control framework. To this end, the 2021-22 plan has provided key stakeholders (including the Audit and Standards Advisory Committee and the Council's Management Team) with assurance across a number of key areas, as shown in **Appendix A**.

In addition, a number of audits have also been delivered across the Council that have provided direct assurance against departmental and service level risks. Summary highlights include:

- **Key Financial Controls** – a review was undertaken to confirm the effectiveness of the design and operation of key financial controls following the implementation of Oracle Cloud.
- **Oracle Cloud Post Implementation** – a review was completed to provide assurance over the ongoing governance arrangements in place following the implementation of Oracle Cloud.
- **Cyber Security** – further assurance has been provided in this area of high risk, through the completion of a review focussing on cyber risks associated with remote working.
- **Council companies and governance** – a review has been completed surrounding the Council's governance of its subsidiaries, including First Wave Housing and i4B.

In addition to the outcomes of the 2021-22 plan, in reaching the HIA opinion, the following governance arrangements were also considered:

- The Council's risk awareness and risk culture has further developed in 2021-22. Overall, there is a good awareness of the Council's risk management framework and strategic risks, and the strategic risk register was refreshed in-year;
- There is a willingness on the part of management to proactively seek Internal Audit advice in relation to risk and control design, outside the delivery of the audit plan; and
- The level and rate of implementation of actions and recommendations arising from audit reviews continues to be positive.

Key themes

In determining the annual opinion, the HIA has also considered any key themes emanating from the audit work delivered in 2021-22. Whilst significant themes or issues were identified that could undermine the effectiveness of the Council's system of internal control, the following observations were noted:

- Where gaps in control were identified, these were often in relation to the 'second line' of defence (i.e. the monitoring and reporting of information and data, by management, in respect of the effectiveness of the 'first line' of defence).
- In a number of instances, we noted that policies and procedures were often absent or outdated, and as such, roles and responsibilities were not always clearly defined and outlined.

Internal Audit will continue to monitor these issues and, where relevant, will provide support and guidance to help aid improvements.

6. Quality Assurance and Improvement Programme

One of the core principles of the PSIAS is quality assurance and continuous improvement. To this end, the PSIAS require the HIA to develop and maintain a quality assurance and improvement programme (QAIP) that covers all aspects of internal audit activity.

Internal Audit has developed a QAIP that is designed to provide reasonable assurance to the various stakeholders of the service that Internal Audit:

- performs its work in accordance with the PSIAS (including the Definition of Internal Auditing and Code of Ethics) and the CIPFA Statement on the role of the Head of Internal Audit;
- operates in an effective and efficient manner;
- is perceived by stakeholders as adding value and continually improving its operations; and
- undertakes both periodic and on-going internal assessments, and commissions an external assessment at least once every five years.

Internal Assessments

In accordance with the PSIAS, internal quality and performance assessments are undertaken through both on-going and periodic reviews. On-going

assessments are conducted as a matter of course, in-line with the service's protocols and audit methodology. These assessments include: management supervision of audit activity, the application of a consistent audit methodology across audits, regular 1:2:1s between audit management and auditors to review and monitor performance, and the review and approval of all outputs by the Audit Manager and HIA.

Regular periodic assessments are also undertaken during the year to monitor and measure the impact of, and value added by the delivery of the annual audit plan. A key aspect of these assessments comprises of the quarterly progress reports presented to the Audit and Standards Advisory Committee, which summarise progress against the annual plan and key outcomes of audit activity. Furthermore, an annual assessment is undertaken in drafting the annual audit plan, which is aligned to the Council's Strategic Risk Register to ensure that the work of internal audit centres around the key risks that threaten the achievement of corporate objectives.

Other periodic assessments include (but are not limited to):

- annual self-assessments to ensure conformance with the PSIAS;
- regular feedback from senior management and Council Management Team
- benchmarking with other London Borough internal audit services, via the Cross Council Assurance Service and London Audit Group.

Key Performance Indicators

To complement and inform the ongoing and periodic assessments detailed above, Key Performance Indicators (KPIs) have been defined to measure the performance of the internal audit service. Achievement scores against each of these KPIs for 2021-22 are set out in the table below:

KPI	Achievement
KPI1 - 90% of the Annual Internal Audit Plan completed by 31 March (conclusion of fieldwork)	79% of Plan completed by 31 March.
KPI2 - 100% of the Annual Internal Audit Plan completed by 30 April (conclusion of fieldwork)	91% of Plan completed by 30 April.
KPI3 - 100% acceptance of all Critical and High risk recommendations	100% acceptance of all High risk recommendations (no Critical recommendations).
KPI4 – Follow-up of all Critical and High risk recommendations within (at least) 12 months of the final report being issued.	15 follow ups completed and seven in progress. 100% of recommendations followed up within 12 months of final report.

KPI5 - 90% of client satisfaction surveys rated the service as good or better.	Five forms returned. 90% very satisfied and 10% satisfied.
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Appendix A – Status and delivery of 2021-22 Plan

Audit (as per 2021-22 Plan)	Status (as at 30 April 2022)	Summary of issues			Narrative
		High Risk	Medium Risk	Low Risk	
Capital Letters	<i>Final report issued</i>	-	1	-	Outcomes reported to Committee in Q2 21-22
Council Tax	<i>Final report issued</i>	1	3	-	Outcomes reported to Committee in Q2 21-22
IT Asset Management	<i>Final report issued</i>	1	3	1	Outcomes reported to Committee in Q2 21-22
Additional Restrictions Grant	<i>Advisory memo issued</i>	-	-	-	Outcomes reported to Committee in Q2 21-22
IT Project Delivery	<i>Final report issued</i>	1	2	1	Outcomes reported to Committee in Q2 21-22
Introductory Tenancies	<i>Final report issued</i>	1	2	-	Outcomes reported to Committee in Q2 21-22
Housing Succession	<i>Final report issued</i>	1	3	-	Outcomes reported to Committee in Q2 21-22
Accounts Payable	<i>Final report issued</i>	1	5	-	Outcomes reported to Committee in Q2 21-22
Temporary Workers	<i>Final report issued</i>	1	2	1	Outcomes reported to Committee in Q2 21-22
Planning	<i>Final report issued</i>	-	2	-	Outcomes reported to Committee in Q2 21-22
Treasury Management	<i>Final report issued</i>	-	1	2	Outcomes reported to Committee in Q2 21-22

Audit (as per 2021-22 Plan)	Status (as at 30 April 2022)	Summary of issues			Narrative
		High Risk	Medium Risk	Low Risk	
Commercial Supplier Set-up	<i>Advisory memo issued</i>	-	-	-	Outcomes reported to Committee in Q2 21-22
Barham Park Accounts	<i>Advisory memo issued</i>	-	-	-	Outcomes reported to Committee in Q2 21-22
Duplicate Payments	<i>Advisory memo issued</i>	-	-	-	Ad-hoc advice and guidance provided.
Homecare	<i>Final report issued</i>	1	2	-	Outcomes reported to Committee in Q3 21-22
Housing Client Function	<i>Final report issued</i>	-	4	-	Outcomes reported to Committee in Q3 21-22
Gifts and Hospitality	<i>Final report issued</i>	-	3	-	Outcomes reported to Committee in Q3 21-22
Water Bill Liability Refunds	<i>Advisory memo issued</i>	-	-	-	Ad-hoc advice and guidance provided.
Financial Support for Schools	<i>Final report issued</i>	-	3	1	See summary details at Appendix B
Workforce and Succession Planning	<i>Final report issued</i>	-	2	-	See summary details at Appendix B
Leaseholder Repairs	<i>Final report issued</i>	-	5	-	See summary details at Appendix B

Audit (as per 2021-22 Plan)	Status (as at 30 April 2022)	Summary of issues			Narrative
		High Risk	Medium Risk	Low Risk	
Oracle Cloud Programme Post Implementation Review	<i>Final report issued</i>	-	2	2	See summary details at Appendix B
Early Years	<i>Final report issued</i>	-	1	3	See summary details at Appendix B
Cyber Remote Working	<i>Final report issued</i>	2	3	2	See summary details at Appendix B
Barham Library Complaint	<i>Advisory memo issued</i>	-	-	-	Ad-hoc advice and guidance provided
FWH/I4b Health and Safety Compliance	<i>Draft report issued</i>	-	-	-	Outcomes to be reported to Committee in Q2 22-23.
Early Years	<i>Draft report issued</i>	-	-	-	Outcomes to be reported to Committee in Q2 22-23.
Flexible Working	<i>Draft report issued</i>	-	-	-	Outcomes to be reported to Committee in Q2 22-23.
Council Companies and Governance Review	<i>Draft report issued</i>	-	-	-	Outcomes to be reported to Committee in Q2 22-23.
Equality Strategy	<i>Draft report issued</i>	-	-	-	Outcomes to be reported to Committee in Q2 22-23.
Key Financial Controls	<i>Draft report issued</i>	-	-	-	Outcomes to be reported to Committee in Q2 22-23.

Audit (as per 2021-22 Plan)	Status (as at 30 April 2022)	Summary of issues			Narrative
		High Risk	Medium Risk	Low Risk	
ASC Budget Monitoring	<i>Fieldwork completed</i>	-	-	-	Draft report is being prepared. Outcomes to be reported to Committee in Q2 22-23.
Fostering	<i>Fieldwork completed</i>	-	-	-	Draft report is being prepared. Outcomes to be reported to Committee in Q2 22-23.
Purchasing Cards	<i>Fieldwork completed</i>	-	-	-	Draft report is being prepared. Outcomes to be reported to Committee in Q2 22-23.
Voids Management	<i>Fieldwork in progress</i>	-	-	-	Draft report is being prepared. Outcomes to be reported to Committee in Q2 22-23.
Building Control Finance	<i>Fieldwork in progress</i>	-	-	-	Draft report is being prepared. Outcomes to be reported to Committee in Q2 22-23.
Contract Management	<i>Fieldwork in progress</i>	-	-	-	Draft report is being prepared. Outcomes to be reported to Committee in Q2 22-23.
Debt Management	<i>Fieldwork in progress</i>	-	-	-	Draft report is being prepared. Outcomes to be reported to Committee in Q2 22-23.
Demand For Services	<i>Carried forward to 22/23</i>	-	-	-	Draft report is being prepared. Outcomes to be reported to Committee in Q2 22-23.
Fire Safety	<i>Carried forward to 22/23</i>	-	-	-	Review will now be undertaken as part of the 2022-23 plan. Outcomes to be reported to Committee on completion of the review.

Audit (as per 2021-22 Plan)	Status (as at 30 April 2022)	Summary of issues			Narrative
		High Risk	Medium Risk	Low Risk	
Grant Management	<i>Carried forward to 22/23</i>	-	-	-	Review will now be undertaken as part of the 2022-23 plan. Outcomes to be reported to Committee on completion of the review.
Local Services Project (Public Realm Contract)	<i>Carried forward to 22/23</i>	-	-	-	Review will now be undertaken as part of the 2022-23 plan. Outcomes to be reported to Committee on completion of the review.
Brent Commissioned Arrangements	<i>Carried forward to 22/23</i>	-	-	-	Review will now be undertaken as part of the 2022-23 plan. Outcomes to be reported to Committee on completion of the review.
Property Valuations	<i>Carried forward to 22/23</i>	-	-	-	Review will now be undertaken as part of the 2022-23 plan. Outcomes to be reported to Committee on completion of the review.
System Financial Processes	<i>Carried forward to 22/23</i>	-	-	-	Review will now be undertaken as part of the 2022-23 plan. Outcomes to be reported to Committee on completion of the review.
Climate Change/ Sustainability	<i>Carried forward to 22/23</i>	-	-	-	Review will now be undertaken as part of the 2022-23 plan. Outcomes to be reported to Committee on completion of the review.
Highways Investment Plan	<i>Deferred</i>	-	-	-	Review deferred, as reported to the Committee in Q3 21-22
NAIL Project	<i>Deferred</i>	-	-	-	Review deferred, as reported to the Committee in Q3 21-22

Audit (as per 2021-22 Plan)	Status (as at 30 April 2022)	Summary of issues			Narrative
		High Risk	Medium Risk	Low Risk	
Housing CRM	<i>Deferred</i>	-	-	-	Review deferred, as reported to the Committee in Q3 21-22
Buildings Compliance Oversight	<i>Deferred</i>	-	-	-	Review deferred, as reported to the Committee in Q3 21-22
Parking Debt Recovery	<i>Deferred</i>	-	-	-	Review deferred, as reported to the Committee in Q3 21-22
Budget Management and Planned Savings	<i>Deferred</i>	-	-	-	Review deferred, as reported to the Committee in Q3 21-22
Members Enquiries	<i>Deferred</i>	-	-	-	Review deferred, as reported to the Committee in Q3 21-22
Rent Setting	<i>Deferred</i>	-	-	-	Review deferred, as reported to the Committee in Q3 21-22
Leavers Processes	<i>Deferred</i>	-	-	-	Review deferred, as reported to the Committee in Q3 21-22

Appendix B – Summary of audits completed in Q4 2021-22

Audit Title	Summary of Key Findings
<p>Leaseholder Repairs</p> <p><i>Indicative Scope:</i> a risk based review to provide assurance on the effectiveness of arrangements in place around Housing Management Landlord responsibilities for all of the Council's Leaseholders.</p> <p>The review focused on assessing the effectiveness of controls across a number of key areas, including: governance, variations and approvals, contract management and payments.</p>	<p>Five Medium Risk issues were raised:</p> <p>1) Inconsistencies were noted between the key performance indicators (KPIs) included in service contracts and those which are currently monitored/reported on by management. It was also found that evidence was not always obtained from contractors to confirm the accuracy of the KPIs.</p> <p><i>Management Response:</i></p> <p><i>Not only are appropriate KPIs in place, relevant officers are aware of what they are and monitor the performance of contractors, based on them. However, it is accepted for the purposes of audit trails, that records of discussions and actions agreed, could be better. The service will commit to this improvement as an action.</i></p> <p>2) For a long-term contracted service provider for major works (including Section 20 repairs), there was a lack of evidence to confirm that a current signed and dated contract is in place.</p> <p><i>Management Response:</i></p> <p><i>All the contracts referred to remain the substantive contracts to deliver these services. The service is seeking to procure a framework of small and large contractors that will not only serve as a supply chain to the main contractor, but will be there for the Council to default to, should the main contractor be unable to carry out their obligations under the contract.</i></p> <p>3) Internal Audit sought to confirm the monitoring and quality assurance checks undertaken in respect of major works projects. We noted inconsistencies in the evidence documented and retained to support monitoring activities.</p> <p><i>Management Response:</i></p> <p><i>It is accepted that it is good practice to write down how contracts/ programmes are managed in one place and Brent Housing Management has committed to reviewing all procedures for the monitoring of Major Works are part of the STAR action plan with an aim to increase leaseholder satisfaction. The Council directly employs its own Quantity Surveyors, who directly check the quality of works delivered by contractors. What is not firmly in place yet is, exactly what</i></p>

Audit Title	Summary of Key Findings
	<p><i>percentage of works with the directly employed QSs inspect and certify and for that to be done consistently across all projects and programmes. The service is committed to putting this in place.</i></p> <p>4) Income and debt management and reporting processes are in place; however there were areas where these could be further enhanced, including: timeliness in raising invoices; comparing income invoiced and received versus the costs of each project; and aged debtor reports.</p> <p><i>Management Response:</i></p> <p><i>The service accepts that a better system needs to be in place to ensure that invoices for works are raised to Leaseholders within statutory time limits. Although officers are aware of these time limits, the current process is not robust enough to ensure it is always maintained.</i></p> <p>5) The current policies and procedures to support staff in managing major works projects including Section 20 repairs require updating as they were last reviewed in 2018.</p> <p><i>Management Response:</i></p> <p><i>The service is already committed to reviewing all policies and procedures for Section 20s in the STAR survey action plan, all of which are in progress.</i></p>
<p>Financial Support For Schools</p> <p><i>Indicative Scope:</i> a risk based review to provide assurance on the effectiveness of financial management of Brent's schools.</p> <p>The review focused on assessing the effectiveness of controls across a number of key areas, including scheme of financing, monitoring, schools in deficit, COVID-19 grants and governance.</p>	<p>Three medium risk issues were raised.</p> <p>1) A lack of internal policies are in place stipulating the roles and responsibilities of relevant officers within the School Finance Team.</p> <p><i>Management Response:</i></p> <p><i>The Scheme for Financing schools sets out the roles, responsibilities and the relationship with Brent schools and the LA. Agreed to detail key processes undertaken within the SFT with procedural notes or guidance. An internal document will be saved to capture in one place the roles and responsibilities of the team and the processes within the small team of one Senior Finance Analyst and one Finance Analyst.</i></p> <p>2) Actions set out within school recovery plans are not followed-up to ensure implementation.</p> <p><i>Management Response:</i></p>

Audit Title	Summary of Key Findings
	<p><i>A new recovery plan template which sets out milestones for delivery of actions has been developed by the School Financial Advisor. Going forward, this will be attached to approve licenced deficit agreements in order to track progress.</i></p> <p>3) The movement of risk scores for individual indicators are not closely monitored and financial monitoring is not always sufficient to fully analyse and understand the risks faced by school finances.</p> <p><i>Management Response:</i></p> <p><i>Individual and collective risk scores are already being monitored although comparison of individual risk ratings to previous years are not being monitored. Agreed to include the year on year comparison and where Internal Audit identifies issues in schools in respect of financial management, these will be fed into the SFT risk assessments.</i></p>
<p>Workforce/Succession Planning</p> <p><i>Indicative Scope:</i> a risk based review to provide assurance on the effectiveness of strategic workforce planning controls in place across the Council including identification and retention of talent and future leaders, resource, and succession planning.</p> <p>The review focused on assessing the effectiveness of controls across a number of key areas, including workforce planning and succession and continuity planning.</p>	<p>Two medium risk issues were raised:</p> <p>1) The Council's workforce strategy has not been updated to reflect the current period, and requirements have not been translated into Directorate workforce planning. There is also limited formal oversight of progress against strategic workforce objectives.</p> <p><i>Management Response:</i></p> <p><i>Human Resources Business Partners will work with each directorate to understand how the workforce strategy translates into a work plan specific to the directorate. Progress against objectives within the workforce strategy will be periodically reported on to key governance meetings, so that management can take appropriate action should objectives be at risk.</i></p> <p>2) Succession planning guidance has not been developed and formal succession planning is not in place. Council leadership was last given training on conducting succession planning in 2019, therefore those who have joined the Council since do not have guidance on how to approach succession planning.</p> <p><i>Management Response:</i></p>

Audit Title	Summary of Key Findings
	<p><i>A 9-box grid will be used to support succession planning within Directorates. Assessment criteria will need to be clear and transparent. Focus will be given to critical roles for each Directorate and to identifying aspiring leaders. HR will agree scope collaboratively with senior leadership.</i></p>
<p>Oracle Cloud Programme Post-Implementation</p> <p><i>Indicative Scope:</i> a risk based review to provide assurance on the effectiveness of the key processes, activities and controls following the implementation of the Oracle Cloud at the Council.</p> <p>The review focused on assessing the effectiveness of controls across a number of key areas, including IT service management, knowledge transfer, access and license management and upcoming key patches and releases.</p>	<p>Two medium risk issues were raised:</p> <p>1) Whilst the Council actively reviews the privileges of active users, there is currently no review and removal of inactive Oracle Cloud users.</p> <p><i>Management Response:</i></p> <p><i>We shall perform the monthly reviews and assessments and ensure arrangements for closure of accounts and de activation are planned based on sign off from Managers.</i></p> <p>2) The Council's change management process does not include a mechanism to capture lessons learned as part of change requests processed for Oracle Cloud.</p> <p><i>Management Response:</i></p> <p><i>We will formally arrange on a quarterly basis a lessons learned exercise covering the scope of CSIP and also project activities. The review shall be included in the formal Brent gateway review process that shall be planned for end of June 2022.</i></p>
<p>Early Years</p> <p><i>Indicative Scope:</i> a risk based review to provide assurance on the effectiveness of The Early Years Programme.</p> <p>The review focused on assessing the effectiveness of controls across a number of key areas, including eligibility, providers, payments, headcount and absences, NEG funding process review and budget monitoring.</p>	<p>One medium risk issue was raised:</p> <p>Management do not retain evidence of reports run on Synergy used to check headcount submission from each provider.</p> <p><i>Management Response:</i></p> <p><i>Officers in CYP performance cross check the synergy reports against the payment schedule. Going forward this will be saved on SharePoint and all reports will be saved on the shared drive for reference.</i></p>

Audit Title	Summary of Key Findings
<p>Cyber Remote Working</p> <p><i>Indicative Scope:</i> a risk based review to provide assurance on the design of key cyber security controls at the Council related to remote working.</p> <p>The review focused on assessing the effectiveness of controls across a number of key areas, including remote working and vulnerability management.</p>	<p>Two high risk and three medium risk issues were raised.</p> <p>High risk issues:</p> <ol style="list-style-type: none"> 1) Vulnerability scanning: areas where further enhancements could be made to the Council's vulnerability scanning controls (for laptops and desktop PCs) were identified. <p><i>Management Response:</i></p> <p><i>Action agreed and a solution has been procured to address this. Other mitigating actions and controls are also in place that address this risk</i></p> <ol style="list-style-type: none"> 2) Security monitoring: areas were identified where controls could be further enhanced to prevent remote assets from being compromised and/or erroneous remote connections being made to the network without detection. <p><i>Management Response:</i></p> <p><i>Action agreed and a solution has been procured to address this. Other mitigating actions and controls are also in place that address this risk</i></p> <p>Medium risk issues:</p> <ol style="list-style-type: none"> 1) Data loss prevention: areas identified to further enhance the Council's capability to identify, assess and respond to sensitive data being sent out of the estate from one of its IT assets. <p><i>Management Response:</i></p> <p><i>Action agreed and a solution has been procured to address this. Other mitigating actions and controls are also in place that address this risk</i></p> <ol style="list-style-type: none"> 2) Authoritative inventories: A complete list of IT hardware and software is not maintained. Without such inventories, it may be difficult to ensure all assets are protected in a remote working environment. <p><i>Management Response:</i></p> <p><i>Action agreed. We will seek to secure funding to implement Hardware Asset Management.</i></p>

Audit Title	Summary of Key Findings
	<p>3) Patch and antivirus compliance: On review of relevant patch and anti-virus compliance reports, a number of devices were found to not be in line with best practice compliance levels.</p> <p><i>Management Response:</i></p> <p><i>Laptop patching is direct from Microsoft; however, we are monitoring the laptop estate to review adherence to the updating, and we're also in the process of ensuring there's no technical barrier for this to occur. We are updating laptops that are on out of support versions and resolving issues where devices are unable to update. This is ongoing.</i></p>

Appendix C – Summary of Follow-up Activity

* Follow-up outcomes reported in the table below are as at the time of concluding our follow-up review. As a result, and owing to the time that may have elapsed since, the status of implementation may have since changed. Internal Audit continue to review implementation of recommendations with Management, and in line with usual practice, will report any instances of persistent non-implementation of recommendations to the Committee.

** The numbers in brackets are high risk actions that are partially or not implemented. All outstanding recommendations will continue to be monitored and reported via Departmental Management Teams.

Follow-up	Status	Follow-up Outcomes				Update
		Implemented	Partially Implemented	Not Implemented	No longer relevant	
IT Platform Review	Completed	3	7 (3)	4 (4)	0	<p><i>Follow-up completed May 2021.</i></p> <p>The follow-up revealed that 7 high risk actions, 3 medium risk actions and 1 low risk action had not been implemented within timescales originally agreed.</p> <p>Management have since confirmed that good progress has been made towards implementing the outstanding actions. The 7 high risk and 3 medium risk actions have been partially implemented. These relate to the roll out of a system for monitoring audit logs. A system has been tested and will now be implemented in Q2 2022. One low risk action has also been implemented. Internal Audit are continuing to liaise with Management regarding the implementation of these outstanding actions.</p>

Follow-up	Status	Follow-up Outcomes				Update
		Implemented	Partially Implemented	Not Implemented	No longer relevant	
Health and Safety	<i>Completed</i>	13	3 (3)	0	0	<p><i>Follow-up completed June 2021</i></p> <p>The follow-up revealed that 3 high risk actions had not been implemented within timescales originally agreed.</p> <p>Internal Audit are continuing to liaise with Management regarding the implementation of these outstanding actions.</p>
Robotic Process Automation	<i>Completed</i>	8	3	0	0	<p><i>Follow-up completed August 2021</i></p> <p>The follow-up revealed that 3 medium risk actions had not been implemented within timescales originally agreed.</p> <p><i>Management have advised that the 3 outstanding actions relate to the development of a business continuity and disaster recovery strategy. Work has been carried out on this, but it is now being taken forward as part of Brent's overall IT disaster recovery plan which is due for completion in early July 2022.</i></p>
Voluntary Sector Funding	<i>Completed</i>	18	7	0	0	<p><i>Follow-up completed January 2022</i></p> <p>The follow-up revealed that 7 medium risk actions had not been</p>

Follow-up	Status	Follow-up Outcomes				Update
		Implemented	Partially Implemented	Not Implemented	No longer relevant	
						<p>implemented within timescales originally agreed.</p> <p>Internal Audit are continuing to liaise with Management regarding the implementation of these outstanding actions.</p>
GDPR	<i>Completed</i>	8	4	0	0	<p><i>Follow-up completed November 2021</i></p> <p>The follow-up revealed that 4 medium risk actions had not been implemented within timescales originally agreed.</p> <p><i>Management have since advised that 3 medium risk actions have been implemented. One medium risk action remains as partially implemented, which relates to completion of the population of data fields in the One Trust system.</i></p>
Placements for Children with Disabilities	<i>Completed</i>	4	0	0	1	<p><i>Follow-up completed February 2022</i></p> <p>Closed</p>
Legionella	<i>Completed</i>	3	2	0	0	<p><i>Follow-up completed July 2021</i></p> <p>The follow-up revealed that 2 medium risk actions had not been</p>

Follow-up	Status	Follow-up Outcomes				Update
		Implemented	Partially Implemented	Not Implemented	No longer relevant	
						<p>implemented within timescales originally agreed.</p> <p>Internal Audit are continuing to liaise with Management regarding the implementation of these outstanding actions.</p>
IT Disaster Recovery	<i>Completed</i>	11	6 (2)	5	0	<p><i>Follow-up completed January 2022</i></p> <p>The follow-up revealed that 2 high risk actions and 9 medium actions had not been implemented within timescales originally agreed.</p> <p><i>Management have since confirmed that 2 high risk actions, and 5 medium risk actions have been implemented. This leaves four medium risks partially implemented. Outstanding actions relate to the refreshing of the disaster recovery plan which has been agreed will take place annually.</i></p>
Housing Benefits Verification and Appeals	<i>Completed</i>	3	1	0	0	<p><i>Follow-up completed September 2021</i></p> <p>1 low risk action remains partially implemented. Management have advised this will be implemented in early 22-23.</p>

Follow-up	Status	Follow-up Outcomes				Update
		Implemented	Partially Implemented	Not Implemented	No longer relevant	
Introductory Tenancies	<i>Completed</i>	8	1 (1)	3 (1)	0	<p><i>Follow-up completed February 2022</i></p> <p>The follow-up revealed that 2 high risk actions and 2 medium actions had not been implemented within timescales originally agreed.</p> <p>Internal Audit are continuing to liaise with Management regarding the implementation of these outstanding actions.</p>
Lone Workers	<i>Completed</i>	3	2	0	0	<p><i>Follow-up completed December 2021</i></p> <p>The follow-up revealed that 2 medium risk actions had not been implemented within timescales originally agreed.</p> <p>Internal Audit are continuing to liaise with Management regarding the implementation of these outstanding actions.</p>
IT Project Delivery	<i>Completed</i>	6	0	0	0	<p><i>Follow-up completed March 2022</i></p> <p>Closed</p>
Treasury Management	<i>Completed</i>	4	1	0	0	<p><i>Follow-up completed October 2021</i></p>

Follow-up	Status	Follow-up Outcomes				Update
		Implemented	Partially Implemented	Not Implemented	No longer relevant	
						<p>The follow-up revealed that 1 medium risk action had not been implemented within timescales originally agreed.</p> <p>Internal Audit are continuing to liaise with Management regarding the implementation of the one remaining action.</p>
Housing Succession	<i>Completed</i>	7	1	3	0	<p><i>Follow-up completed April 2022</i></p> <p>The follow-up revealed that 4 medium risk actions had not been implemented within timescales originally agreed.</p> <p><i>Management have since confirmed that 3 medium risk actions (identified in the table as not implemented) are there because they were not completed in the required timescales, but management have now confirmed that they been implemented.</i></p>
Housing Client Function	<i>Completed</i>	4	5	2	0	<p><i>Follow-up completed April 2022</i></p> <p>The follow-up revealed that 7 medium risk actions had not been implemented within timescales originally agreed.</p>

Follow-up	Status	Follow-up Outcomes				Update
		Implemented	Partially Implemented	Not Implemented	No longer relevant	
						<i>Management have since confirmed that 4 medium risk actions have since been implemented. 3 medium risk issues remain partially implemented and Internal Audit are continuing to liaise with Management regarding the implementation of these outstanding actions.</i>
Planning	<i>In Progress</i>	-	-	-	-	Outcomes to be reported to the Committee on completion of the follow-up.
Homecare	<i>In Progress</i>	-	-	-	-	Outcomes to be reported to the Committee on completion of the follow-up.
Council Tax	<i>In Progress</i>	-	-	-	-	Outcomes to be reported to the Committee on completion of the follow-up.
i4B SLA	<i>In Progress</i>	-	-	-	-	Outcomes to be reported to the Committee on completion of the follow-up.
FWH SLA	<i>In Progress</i>	-	-	-	-	Outcomes to be reported to the Committee on completion of the follow-up.

Follow-up	Status	Follow-up Outcomes				Update
		Implemented	Partially Implemented	Not Implemented	No longer relevant	
GLA Affordable Housing Prog.	<i>In Progress</i>	-	-	-	-	Outcomes to be reported to the Committee on completion of the follow-up.
Residential and Nursing Care	<i>In Progress</i>	-	-	-	-	Outcomes to be reported to the Committee on completion of the follow-up.