



# **Internal Audit Annual Report**

2023-24

## **1. Introduction**

- 1.1 This report outlines the work undertaken by Internal Audit in respect of delivery of the 2023-24 Internal Audit Plan.
- 1.2 The report is intended to support the Corporate Management Team (CMT) 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.

## **2. Internal Audit Independence and Objectivity**

- 2.1 The Public Sector Internal Audit Standards (PSIAS) requires that the internal audit function must be independent and internal auditors must be objective in performing their work. To this end, the “Chief Audit Executive” (Head of Internal Audit) must confirm, at least annually, that the organisational independence of the internal audit function has been preserved.
- 2.2 The Deputy Director, Organisational Assurance and Resilience (Head of Internal Audit hereafter) is therefore pleased to report that there have been no actual or perceived threats to the independence and objectivity of the Internal Audit function in relation to the work carried out to deliver the 2023-24 internal audit plan. The Head of Internal Audit and all internal auditors have continued to receive unfettered access to CMT, senior management, officers and all information/records necessary to undertake our work. The internal audit function was subject to an External Quality Assessment (EQA) in 2022-23, which identified no concerns regarding the independence or objectivity of the function.
- 2.3 The PSIAS also requires that the Head of Internal Audit must report to a level within the organisation that allows the internal audit function to fulfil its responsibilities. The Head of Internal Audit reports directly into the Corporate Director Finance and Resources (S151), and functionally to CMT and the Audit and Standards Advisory Committee. In line with usual practice, the Head of Internal Audit also continues to have direct and unfettered access to the Chief Executive and the Chair and Vice-Chair of Audit and Standards Advisory Committee.

## **3. Delivery of the 2023-24 Plan**

- 3.1 A risk-based Annual Internal Audit Plan for 2023-24 was approved by CMT and Audit and Standards Advisory Committee in March 2023. The plan originally included a total of 32 audits, excluding follow-up reviews, school audits and advisory work. In addition, 10 audits were carried forward from 2022-23.
- 3.2 As in previous years, the plan remained fluid and was adjusted in-year, in consultation with senior management and auditees, to ensure that the plan

continued to provide assurance against high-risk areas and to respond to any new or emerging risks/issues. To this end, eight audits were cancelled/deferred, and an additional six audits were added to the plan.

- 3.3 A summary of the performance against the 2023-24 Internal Audit Plan is shown in the below table. A more detailed summary of the status and outcome of each audit review can be seen at **Appendix A**.

<b>Summary of Internal Audit Activity</b> <i>(as at 30 April 2024)</i>	<b>Number</b>	<b>%</b>
❖ Audits included in the 2023-24 plan	32	
❖ Audits carried forward from 2022-23	10	
❖ (Audits cancelled/deferred)	(8)	
❖ Additional audits added to the plan	6	
❖ Total planned engagements for 2023-24	<b>40</b>	
- Completed	32	80%
- Draft report stage	2	5%
- Fieldwork completed	3	7.5%
- In progress	3	7.5%

- 3.4 **The following six audits remain in progress.** It is anticipated that these will be completed by end Q1 2024-25, with outcomes reported to the Audit and Standards Advisory Committee in 2024:

- Discretionary Housing Payments (fieldwork completed)
- True Compliance (fieldwork completed)
- Direct Payments - Adults (fieldwork completed)
- Procurement (in progress)
- Public Health Contract Management (in progress)
- Parking Services – permits (in progress)

- 3.5 **The following four audits have been carried forward** and will now be incorporated into Internal Audit's risk assessment and planning process for considered for completion in 2024-25:

- Section 106/Community Infrastructure Levy
- Starters and Leavers (now part of larger Recruitment review)
- Recruitment and Retention
- RLS Programme Closure

- 3.6 **The following four audits were cancelled** (in agreement with senior management and auditees).

- Performance Reporting
- Project Management (Property)
- Emergency Planning/Business Continuity
- Resident Support Fund

## School Reviews

- 3.7 A programme of school audits is undertaken to provide assurance over the key governance arrangements and financial management controls in place within individual schools. Seven school audit reviews were scheduled to be carried-out as part of the 2023-24 plan. As of 30 April 2024 three reviews have been completed.
- 3.8 Management also requested Internal Audit to carry out a review of the Brent Music Service with the objective to provide assurance on the effectiveness and robustness of the Council's arrangements for management and monitoring of the Music Service. This review is currently at draft report stage.

## Advisory Work

- 3.9 Internal Audit continue to carryout consultancy and advisory work where required or requested. During the year, various pieces of advisory work have been undertaken, including:
- Nursery Education Grant (NEG2) Overpayment
  - Alternative Provision Grant Brent River College
  - Adult Social Care Supported Living
  - Barham Park High-level consultancy review
  - Parks Invoicing
  - Cemetery Fees and Charges.
- 3.10 Internal Audit has also continued to carry out quarterly verification work for the Supporting Families Programme grant.

## 4. Summary of Risks/Issues Identified

- 4.1 For each review undertaken, where gaps or weaknesses in the design and operation of controls are highlighted, or where opportunities for the further improvement/optimisation of controls are identified, recommendations are raised and agreed with management.
- 4.2 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.
- 4.3 The following definitions are used to inform these ratings:

<b>Critical</b>	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.
<b>High</b>	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.
<b>Medium</b>	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.
<b>Low</b>	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.

4.4 For work undertaken as part of the 2023-24 plan, Internal Audit raised a total of 84 issues. The below table summarises these against the four risk categories:

Summary of risk issues raised:	2023-24	%	2022-23 Comparator	%	2021-22 Comparator	%
<b>Total issues raised:</b>	<b>100</b>		<b>108</b>		<b>72</b>	
<b>Critical risk</b>	<b>0</b>	0%	0	0%	0	0%
<b>High risk</b>	<b>28</b>	28%	17	16%	10	14%
<b>Medium risk</b>	<b>54</b>	54%	70	65%	49	68%
<b>Low risk</b>	<b>18</b>	18%	21	19%	13	18%

4.5 2021-22 and 2022-23 figures have also been provided above for comparison purposes. However, whilst an increase or decrease in the number of risk issues raised per category may indicate an improvement or deterioration in the Council's internal control environment; there may also be a number of other factors behind this, including variations between the number and/or type of audit reviews that were completed in each year. As this table expands to incorporate additional years, senior management and the Audit and Standards Advisory Committee will be able to track and monitor trends across a wider period.

4.6 In December 2023 the Audit and Standards Advisory Committee received an internal audit progress report summarising completion of work against the agreed plan. As part of this update, details of any critical, high or medium risk issues raised was provided, alongside the responses and actions agreed by management/auditees. For audits completed since November 2023, a summary of issues identified (high and medium risk) and agreed with management can be seen at **Appendix B**.

## 5. Follow-up Activity

- 5.1 Agreed recommendations and actions emanating from all planned audit work is subject to follow-up to ensure that agreed actions have been implemented.
- 5.2 During 2023-24, 18 follow-up reviews were completed, which sought to evidence that 163 actions had been implemented as agreed. Outcomes are summarised in the table below. A further nine follow up reviews are currently in progress.

Implementation Status	High Risk	Medium Risk	Low Risk
<b>Total Actions:</b>	<b>23</b>	<b>122</b>	<b>18</b>
Implemented:	11	54	10
Partially Implemented:	8	34	3
Not Implemented:	4	34	5
No longer relevant/superseded:	0	0	0

- 5.3 Follow up reviews identified that 46% of agreed actions were implemented by their original due date. 28% were partially implemented and 26% were not implemented.
- 5.4 Further details relating to the follow-up activity undertaken in 2023-24 can be seen at **Appendix C**. It should be noted that follow-up outcomes included in this appendix are reported as at the time of concluding the follow-up review. As a result, 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.

### Overdue actions

- 5.5 Where actions are found to remain partially or not implemented at follow-up, revised target dates are agreed with management. Outstanding actions are then monitored and reported via departmental 'action trackers', which are reported to Departmental Management Teams on a quarterly basis. These trackers contain all actions relating to audits or follow-up work completed since 2022-23, including those that may not yet be due for implementation, or where a follow-up is in progress.

5.6 In order to identify actions as 'overdue', the following criteria is applied:

- a) Internal Audit has undertaken/completed a follow-up review;
- b) The actions were assessed as being partially or not implemented; and
- c) The revised target implementation date has elapsed.

5.7 Using the above criteria, we can report the following position of overdue actions as of 30 April 2024:

<b>Number of actions overdue (past revised target dates)</b> <i>as of 30 April 2024:</i>	<b>15</b>	
<b>Critical risk</b>	<b>0</b>	0%
<b>High risk</b>	<b>3</b>	20%
<b>Medium risk</b>	<b>11</b>	73%
<b>Low risk</b>	<b>1</b>	7%

Details of each of the High/Medium overdue actions can be found in **Appendix D**.

5.8 It should be noted that this is a live and ongoing process, and therefore the position of overdue actions changes on a daily/weekly basis. Internal Audit continues to liaise with management to close all outstanding actions. Engagement with management continues to be positive, and any issues regarding the persistent non-implementation of actions will be raised with the Audit and Standards Advisory Committee as appropriate.

## 6 Head of Internal Audit Opinion

6.1 The Head of Internal Audit (HIA) is required to provide an annual opinion and report that can be used by the Council to inform its governance statement. The relevant standards require that the annual opinion must conclude on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. In addition, CIPFA's guidance on the '*Role of the Head of Internal Audit in Public Service Organisations*' requires that the Head of Internal Audit's overall opinion is objective and supported by sufficient, reliable, relevant, and useful information and evidence.

6.2 The following four ratings and definitions have been devised to assist with forming and articulating the HIA annual opinion:

<b>Substantial Assurance</b>	The overall arrangements for the Council's systems of internal control, risk management and governance are sound. Any improvement or enhancement recommended relates to best practice only.
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<b>Reasonable Assurance</b>	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.
<b>Limited Assurance</b>	The adequacy and effectiveness of the overall arrangements for the Council's systems of internal control, risk management and governance are limited. There are a number of significant weaknesses that may put the achievement of key objectives at risk.
<b>No Assurance</b>	There are fundamental weaknesses within the Council's systems of internal control, risk management and governance, which jeopardise the achievement of key objectives.

6.3 The HIA opinion in relation to the financial year 2023-24 is:

<b>Reasonable Assurance</b>	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.
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6.4 The information and evidence supporting this opinion is set out in the paragraphs below.

### Scope

6.5 The HIA opinion is primarily supported by the delivery of the 2023-24 Internal Audit plan (the plan), which was agreed by the Council Management Team and the Audit and Standards Advisory Committee in March 2023. It is provided for consideration in the Council preparing its Annual Governance Statement for 2023-24, which is published alongside its financial statements for the year ended 31 March 2024.

6.6 In considering the HIA opinion, the following limitations should be recognised:

- the plan does not purport to address all risks facing the Council, and instead represents a deployment of limited audit resource. The Council Management Team and the Audit and Standards Advisory Committee acknowledged these limits in approving the plan;
- Assurance can never be absolute and neither can internal audit work be designed to identify or address all weaknesses that might exist;
- The responsibility for maintaining adequate and appropriate systems of internal control resides with management, and not Internal Audit.

### Reliance on work undertaken

6.7 The 2023-24 plan was aligned to the Council's Strategic Risk Register and corporate priorities. In addition, Internal Audit undertook an independent risk



assessment and consulted with senior management to identify significant risks and to gain an understanding of the Council's assurance needs. As a result, the audits included on the plan focussed on areas with a high assurance requirement.

- 6.8 In-year, the plan has been delivered by a skilled and experienced in-house team, supported and complemented through the use of a co-sourced provider, PwC, who provide access to skills and specialisms, including IT audit. As detailed in section 7 of this report, Internal Audit was subject to an External Quality Assessment in 2022-23, which evidenced and confirmed conformance with the Public Sector Internal Audit Standards.
- 6.9 No specific reliance has been placed on external sources of assurance in forming the HIA opinion.
- 6.10 As reported in section 2 above, there have been no actual or perceived impairments to the independence or objectivity of the HIA or Internal Audit function.

### Basis of opinion

- 6.11 The HIA opinion is supported by the wider contents of this report. A total of 37 reviews have been delivered in-year, including seven reviews that sought to provide assurance on the effectiveness of the controls and mitigating actions in place pertaining to the Council's strategic risks. A further five audits focussed on the effectiveness and robustness of the Council's key financial systems. In addition, a number of audits also focussed on providing assurance over key departmental and service level risks (as indicated within departmental risk registers).
- 6.12 No critical risk issues/concerns were identified in delivery of the plan. 26 high-risk issues have been raised within individual audit reviews, which is a slight increase from 2022-23; however, in the main, where weaknesses were identified during individual audits, these were not considered to be significant, in aggregate, to the Council's overall governance arrangements and system of internal control.
- 6.13 A number of pieces of unplanned/additional work was also undertaken at the request of management. This demonstrates a willingness on the part of management to proactively seek Internal Audit advice in relation to the improvement of controls and risk management, outside the delivery of the audit plan.
- 6.14 Internal Audit has also continued to closely and robustly monitor management's implementation of recommendations and actions arising from audit reviews. Each audit completed is subject to a thorough follow-up review, with outcomes reported to senior management and the Audit and Standards Advisory Committee, including where actions have been partially implemented and revised target dates set. In addition, overdue actions are also reported routinely

to departmental and corporate management teams, highlighting where actions have not been implemented past their revised target dates.

- 6.15 The section below under 'Areas for Improvement' identifies that the rate of implementation of audit actions has fallen in 2023-24. Whilst this is disappointing and a matter of concern in itself, this has not led to a more negative level of opinion provided by the HIA in 2023-24, primarily owing to the arrangements and willingness in place at a corporate level to actively review and scrutinise the outcomes of internal audit work (including follow-up activity). Furthermore, as reported in section 5.7, the number of audit actions classified as 'overdue' is low with 15 actions overdue at 30<sup>th</sup> April 2024, three of which are high risk. This suggests that the issue is in the implementation of actions within their *original* and agreed target dates, as opposed to there being a significant number of actions that remain not implemented. This issue has therefore been raised as an area where improvement is required within 2024-25.

#### Other considerations

- 6.16 In addition to the outcomes of the 2023-24 plan, in reaching the HIA opinion, the following was also considered:
- The HIA is satisfied that the Council's framework of governance for the year ended 31 March 2024 complies in all material respects with guidance on proper practices as set out the CIPFA/SOLACE publication "Delivering Good Governance in Local Government (2016)".
  - The Council's risk awareness and risk culture has continued to improve in 2023-24. Overall, there is a good awareness of the Council's risk management framework and strategic risks, although further work is necessary to enhance the quality and completeness of risk registers at a departmental and service level.
  - The role of the Assurance Board, which was set up in 2023, and how this has contributed to improving the effectiveness of the robustness and effectiveness of the Council's governance, risk and internal control environment by receiving reports on a range of governance and assurance related matters in-year.

#### Areas for improvement

- 6.17 In determining the annual opinion, the HIA has considered any key themes or issues emanating from audit work undertaken in 2023-24, and/or any areas where enhancements can be made to the Council's governance, risk management and internal control frameworks. The following observations are made:

#### Implementation of audit recommendations/actions

- 6.18 In 2022-23 the HIA opinion identified an area for improvement in 2023-24 was in relation to the implementation of audit actions to ensure that the risks identified and emanating from internal audit work are appropriately mitigated.

As shown in the table below, the rate of implementation of audit actions has fallen in 2023-24:

Implementation of audit actions within agreed timescales								
	Previous Year - 2022-23				Current Year - 2023-24			
	H	M	L	Total	H	M	L	Total
<b>Total Actions</b>	<b>41</b>	<b>100</b>	<b>32</b>	<b>173</b>	<b>23</b>	<b>122</b>	<b>18</b>	<b>163</b>
Implemented	32 (78%)	69 (69%)	17 (53%)	118 (68%)	11 (48%)	54 (44%)	10 (56%)	75 (46%)
Partially Implemented	7 (17%)	27 (27%)	14 (44%)	48 (28%)	8 (35%)	34 (28%)	3 (16%)	45 (28%)
Not Implemented	2 (5%)	4 (4%)	1 (3%)	7 (4%)	4 (17%)	34 (28%)	5 (28%)	43 (26%)

6.19 Whilst there are a number of caveats and limitations in comparing the implementation of actions from year-to-year, as shown in the table above the rate of implementation of all audit actions (high, medium and low risk combined) within originally agreed timescales has fallen significantly from 68% to 46%. Furthermore, the rate of implementation of high risk actions has also fallen from 78% in 2022-23 to 48% in 2023-24.

6.20 The level of audit actions not implemented within original timescales has also significantly increased in terms of both a number and percentage of total actions, with 43 (26%) actions not implemented in-year compared to 7 (4%) in 2022-23. It is acknowledged that things can happen that may prevent actions from being implemented within original timescales, and it is accepted that some slippage will occur. However, this does not explain this level of increase in non-implementation and it must therefore be attributable to a number of other factors, including the importance that is placed on implementing audit actions at an operational level. This view is further reinforced by the fact that as at 30<sup>th</sup> April 2024, only 15 actions are classified as overdue (actions not implemented past their revised target dates), which suggests that in some instances, actions are only implemented once details of non-implementation are reported to and scrutinised at a corporate level.

6.21 It is the view of the HIA that this is an area where improvement is required within 2024-25

#### 'Second line' gaps in control

6.22 The HIA has previously reported that where *gaps* in control were identified by Internal Audit (as opposed to the effectiveness of the operation of controls), these were generally found to be in relation to the Council's 'second line' (of defence). In brief, the 'first line' is the provision of services and the application of an internal control framework to manage associated risks; and 'second line' responsibilities include the monitoring, reporting and challenge of the

effectiveness of 'first line' functions. The 'third line' is the independent and objective assurance provided by Internal Audit.

- 6.23 In work carried out during 2023-24, Internal Audit noted that there have been a number of enhancements to the Council's monitoring, reporting and challenge of first line controls at a corporate level. For example, the implementation of the new performance management framework and balanced score card approach, and the broadening of the scope of the Brent Assurance Board.
- 6.24 Despite these improvements, Internal Audit has continued to identify 'second line' gaps at departmental and operational levels. Internal Audit continues to report these gaps as part of routine updates brought to CMT and the Audit and Standards Advisory Committee.

## Conclusion

- 6.25 In summary, the Head of Internal Audit is satisfied that the work undertaken by Internal Audit during 2023-24, as well as wider governance arrangements, has enabled an opinion to be formed on the Council's control framework, risk management and governance arrangements.
- 6.26 Internal Audit will continue to monitor the issues identified above and, where relevant, will provide support and guidance to help aid improvements.

## 7 Quality Assurance and Improvement Programme

- 7.1 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 therefore 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.

### External Assessments

- 7.2 The PSIAS require an external quality assessment (EQA) be undertaken at least every five years. As reported to the Audit and Standards Advisory Committee in February 2023, a review of Internal Audit's performance at the London Borough of Brent was undertaken in January 2023. The next EQA will be due in 2028.






- 7.3 The assessment found that the Internal Audit Service **Generally Conforms** with the PSIAS, which is the highest available level of assessment for local authorities.
- 7.4 Overall, the assessors commented that Internal Audit is a well led, professional and respected service that adds value and provides evidence based, reliable assurance over the Council's governance, risk management and internal controls. The full report can be seen [here](#).

## Internal Assessments

- 7.5 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.
- 7.6 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.
- 7.7 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.
- 7.8 In summary, the Head of Internal Audit is confident that the Internal Audit function has continued to comply and conform with the PSIAS during 2023-24.

## Key Performance Indicators

7.9 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 2023-24 are set out in the table below:

KPI	Details	Achievement (RAG)	Comments
KPI1	<b>90%</b> of the Annual Internal Audit Plan completed by 31 March (conclusion of fieldwork)	 Partially Met	<b>79%</b> of Plan completed by 31 March.
KPI2	<b>100%</b> of the Annual Internal Audit Plan completed by 30 April (conclusion of fieldwork)	 Partially Met	<b>90%</b> of Plan completed by 30 April.
KPI3	<b>100%</b> acceptance of all Critical and High-risk recommendations	 Met	<b>100%</b> 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.	 Met	18 follow ups completed and 9 in progress. <b>100%</b> of recommendations followed up within 12 months of final report.
KPI5	<b>90%</b> of client satisfaction surveys rated the service as good or better.	 Met	2 forms returned, both rated service as good or better.

## Appendix A – Status and delivery of 2023-24 Plan

Audit / Indicative Scope (as per 2023-24 Plan)	Status	Summary of issues			Summary
		High Risk	Medium Risk	Low Risk	
<p><b>Capital Programme</b></p> <p><i>A risk-based review to provide assurance over the effectiveness of the controls in place for the Council's approach and methodology to Capital Programme.</i></p>	<b>Completed</b>	-	1	-	<p>Outcomes reported to the Committee in November 2023.</p> <p><i>The Medium Risk action has since been implemented.</i></p>
<p><b>Key Financial Controls – Payroll</b></p> <p><i>A risk-based review to provide assurance over the design and operating effectiveness of the Council's key financial controls relating to payroll.</i></p>	<b>Completed</b>	2	2	-	<p>Outcomes reported to the Committee in November 2023.</p> <p>The high-risk issues related to:</p> <ol style="list-style-type: none"> <li>1. an over-reliance on line managers approval within the leavers process; and</li> <li>2. The processing of overtime payments.</li> </ol> <p><i>The follow up review is currently in progress.</i></p>
<p><b>Financial Strategy /Savings Programme</b></p> <p><i>A risk-based review to provide assurance on the processes and risks associated with the Medium-Term Financial Strategy (MTFS) and Savings Programme, with specific focus on governance and reporting and delivery plans.</i></p>	<b>Completed</b>	-	1	2	<p>Outcomes reported to the Committee in November 2023.</p> <p><i>Follow up completed – three medium actions remain partially implemented.</i></p>
<p><b>Family Wellbeing Centres</b></p> <p><i>A risk-based review to provide assurance on the relevant risks and implemented controls within Family Wellbeing Centres.</i></p>	<b>Completed</b>	-	3	1	<p>Outcomes reported to the Committee in November 2023.</p> <p><i>Follow up completed – three actions remain partially/not implemented</i></p>

Audit / Indicative Scope (as per 2023-24 Plan)	Status	Summary of issues			Summary
		High Risk	Medium Risk	Low Risk	
<p><b>Key Financial Controls - NEC Northgate Housing Benefits</b></p> <p><i>The objective of this review was to ensure that the data relating to housing benefit payments is complete, accurate, valid, and properly recorded in the underlying accounts.</i></p>	Completed	2	1	-	<p>Outcomes reported to the Committee in November 2023.</p> <p><i>The high-risk issues related to</i></p> <ol style="list-style-type: none"> <li>1. Documented governance procedures; and</li> <li>2. Documentation for periodic reconciliations between NEC, general ledger, and bank statements.</li> </ol> <p><i>Follow up completed – the high risk actions remain partially/not implemented with a revised date of 31 October.</i></p>
<p><b>Licensing</b></p> <p><i>A risk-based review to provide assurance on the effectiveness and robustness of the Council's arrangements for issuing licenses and monitoring licensed establishments enabling the Council to comply with statutory obligations.</i></p>	Completed	1	4	-	<p>Outcomes reported to the Committee in November 2023.</p> <p>The high-risk issue related to the carrying out of licensing inspections.</p> <p><i>The follow up review is currently in progress.</i></p>
<p><b>Tenancy Management Organisation – Kilburn</b></p> <p><i>A risk-based review to ensure that management has assessed all relevant risks and implemented adequate and effective controls within Kilburn Park Tenancy Management Organisation.</i></p>	Completed	4	3	-	<p>Outcomes reported to the Committee in November 2023.</p> <p>The high-risk issues related to</p> <ol style="list-style-type: none"> <li>1. Budgetary controls</li> <li>2. Purchasing and expenditure</li> <li>3. Payroll and;</li> <li>4. Contracts.</li> </ol> <p><i>Follow-up anticipated to be undertaken In Q3 24-25.</i></p>



Audit / Indicative Scope (as per 2023-24 Plan)	Status	Summary of issues			Summary
		High Risk	Medium Risk	Low Risk	
<p><b>Better Care Fund</b></p> <p><i>The objective of this audit was to assess the control design of the processes related to the planning of the delivery of the Better Care Fund (BCF) and monitoring and reporting of performance and budgets by the integrated service teams.</i></p>	Completed	1	3	-	<p>Outcomes reported to the Committee in November 2023.</p> <p>The high risk issue related to a lack of management oversight and mechanisms to record and track local spend of BCF.</p> <p><i>Follow up completed. Three high risk actions remain partially implemented with a revised date of 28 September 2024.</i></p>
<p><b>Private Sector Property Licensing (HMO)</b></p> <p><i>A risk-based review to ensure that management has assessed all relevant risks and implemented adequate and effective controls within the Houses of Multiple Occupation (HMO) License process.</i></p>	Completed	-	1	6	<p>Outcomes reported to the Committee in November 2023.</p> <p><i>The follow up review is currently in progress.</i></p>
<p><b>No Recourse to Public Funds (NRPF) and Intentionally Homeless</b></p> <p><i>A risk-based review to ensure that management has assessed all relevant risks and implemented adequate and effective controls when providing support to families that have No Recourse to Public Funds.</i></p>	Completed	-	1	2	<p>Outcomes reported to the Committee in November 2023.</p> <p><i>The follow up review is currently in progress.</i></p>
<p><b>Community Management Grants</b></p>	Completed	n/a	n/a	n/a	N/A – advisory review.

Audit / Indicative Scope (as per 2023-24 Plan)	Status	Summary of issues			Summary
		High Risk	Medium Risk	Low Risk	
<i>An advisory review to examine the Council's revised arrangements surrounding the administration of NCIL and to provide recommendations to improve on the effectiveness and robustness of the grant funding process and to ensure that grants are administered and managed in accordance with the Authority's approved policies, procedures and practices.</i>					
<b>Barham Park Accounts</b> <i>To provide an independent examination and review of the Barham Park Trust ("the Trust") 2022-23 accounts.</i>	<b>Completed</b>	n/a	n/a	n/a	n/a – accounts certification.
<b>Nursery Education Grant2 Overpayment</b> <i>Management request to provide additional support and guidance to staff who are responsible for completing and approving payments to Providers of the Nursery Education Grants.</i>	<b>Completed</b>	1	2	-	Outcomes reported to the Committee in November 2023.  The high-risk issue related to Validity Checks.  <i>The follow up review is currently in progress.</i>
<b>Annual Provision Grant - Brent River College (Additional Request)</b> <i>Internal Audit acted as an independent examiner and reviewed Annual Certification of Expenditure for Brent River College for 2022-23.</i>	<b>Completed</b>	n/a	n/a	n/a	n/a – accounts certification.

Audit / Indicative Scope (as per 2023-24 Plan)	Status	Summary of issues			Summary
		High Risk	Medium Risk	Low Risk	
<p><b>Information Governance – Data Breaches</b></p> <p><i>A risk-based review of the arrangements in place to prevent, identify and report data breaches.</i></p>	Completed	-	-	1	<p>One low risk action raised in relation to the recording/storage of risk assessments.</p> <p><i>The follow up review is currently in progress.</i></p>
<p><b>Tenancy Management Organisation Watling Gardens</b></p> <p><i>A risk-based review to ensure that management has assessed all relevant risks and implemented adequate and effective controls within Watling Gardens Tenancy Management Organisation.</i></p>	Completed	5	-	-	Outcomes reported below in Appendix B
<p><b>Housing Compliance FRAs</b></p> <p><i>A risk-based review to provide assurance of the controls in place over the Council's responsibilities for fire safety across its property portfolio.</i></p>	Completed	3	3	-	Outcomes reported below in Appendix B
<p><b>ASC Supported Living</b></p> <p><i>A risk-based review to provide assurance on the effectiveness and robustness of the Council's arrangements for supported living to ASC service users.</i></p>	Completed	3	2	3	Outcomes reported below in Appendix B
<p><b>Pension Fund</b></p> <p><i>A risk-based review to provide assurance on the effectiveness and robustness of the control framework for the Council's arrangements for the pensions' contributions management process.</i></p>	Completed	-	1	-	Outcomes reported below in Appendix B

Audit / Indicative Scope (as per 2023-24 Plan)	Status	Summary of issues			Summary
		High Risk	Medium Risk	Low Risk	
<p><b>Cyber (3rd party risk)</b></p> <p><i>A risk-based review to assess and provide assurance on the robustness and completeness of the design of the Council's supply chain risk management control framework. Additionally, the audit will review the project plan for implementing the supply chain cyber security framework.</i></p>	Completed	3	8	-	Outcomes reported below in Appendix B
<p><b>Barham Park High-level Consultancy Review</b></p> <p><i>To independently review concerns raised in respect of the accuracy of the Barham Park Trust accounts for the year ended 31 March 2023 and to review the responses provided by officers in respect of the concerns raised to determine whether these provided accurate and sufficient information.</i></p>	Completed	n/a	n/a	n/a	n/a – advisory review.
<p><b>IT Disaster Recovery</b></p> <p><i>A risk-based review to provide assurance on the effectiveness and robustness of the Council's arrangements for managing business engagement and recovery prioritisation in the event of a major incident.</i></p>	Completed	1	5	-	Outcomes reported below in Appendix B
<p><b>Planning Enforcement</b></p> <p><i>A risk-based review to provide assurance on the operating effectiveness of key controls in place around planning</i></p>	Completed	-	2	-	Outcomes reported below in Appendix B

Audit / Indicative Scope (as per 2023-24 Plan)	Status	Summary of issues			Summary
		High Risk	Medium Risk	Low Risk	
<i>enforcement to ensure that actions taken are appropriate and decisions are made in line with delegated officer responsibilities and guidance.</i>					
<b>STS (IT maturity ambition)</b> <i>To review the implementation of actions from the report from the previous workshop relating to capacity and maturity of IT Service Management components. To assist STS with formulating an action plan for the next 6 to 12 months to address the recommendations raised within the previous report performed in 2022/23.</i>	<b>Completed</b>	n/a	n/a	n/a	Advisory memo issued to management.
<b>Cemetery Charges</b> <i>Management request to provide assurance over charges to LB Harrow in respect of Carpenders Park Cemetery</i>	<b>Completed</b>	n/a	n/a	n/a	Advisory memo issued to management.
<b>MTFS/Savings Delivery Capital Programme</b> <i>Scope to include testing of additional control areas to be determined in year.</i>	<b>Completed</b>	n/a	n/a	n/a	Extended follow up work on actions arising from 2022/23 review.
<b>Climate Change and Sustainability</b> <i>Programme assurance regarding the delivery of the Council's climate change strategies and action plan.</i>	<b>Completed</b>	n/a	n/a	n/a	Risk advice and support provided to management.
<b>Parks Invoicing</b>	<b>Completed</b>	n/a	n/a	n/a	Risk advice and support provided to management.

Audit / Indicative Scope (as per 2023-24 Plan)	Status	Summary of issues			Summary
		High Risk	Medium Risk	Low Risk	
<i>Management request to provide assurance over the invoicing in Brent parks/open spaces.</i>					
<b>Accounts Receivable</b> <i>A risk-based review to provide assurance on the robustness of the Council's controls in place in relation to accounts receivable, with a focus on invoice raising, debtors, reconciliations, and suspense accounts.</i>	<b>Completed</b>	-	5	1	Outcomes reported below in Appendix B
<b>Accounts Payable</b> <i>A risk-based review to provide assurance on the effectiveness and robustness of the Council's controls in relation to the accounts payable process.</i>	<b>Completed</b>	1	3	1	Outcomes reported below in Appendix B
<b>Financial Planning, Monitoring and Sustainability – DSG High Needs Block and School Balances (merger of two audits)</b> <i>A risk-based review to provide assurance on the effectiveness and robustness of the Council's arrangements for financial monitoring and support in maintained schools and for the Dedicated Schools Grant (DSG) High Needs Block.</i>	<b>Completed</b>	1	3	1	Outcomes reported below in Appendix B
<b>IT Application Review - NEC Revenues and Benefits</b> <i>A risk-based review to provide assurance on the effectiveness and robustness of</i>	<b>Draft Report Issued</b>				Draft report being agreed with Management. Outcomes to be reported to Committee in next update 2024-25

Audit / Indicative Scope (as per 2023-24 Plan)	Status	Summary of issues			Summary
		High Risk	Medium Risk	Low Risk	
<i>the council's systems and processes relating to the NEC Revenues and Benefits application.</i>					
<b>First Wave Housing Ltd / i4B Holdings</b> <i>Risk based review to provide assurance over the effectiveness and robustness of the controls relating to billing processes for compensation payments, council tax payments made for void properties and refurbishment costs.</i>	<b>Draft Report Issued</b>				Draft report being agreed with Management. Outcomes to be reported to Committee in next update 2024-25
<b>True Compliance</b> <i>A risk-based review of True Compliance. The scope to consider data accuracy, access, monitoring and reporting.</i>	<b>Fieldwork Completed</b>				Fieldwork concluded and draft report being prepared. Outcomes to be reported to Committee in next update 2024-25
<b>Discretionary Housing Payments</b> <i>A risk-based review of Discretionary Housing Payments. The scope to consider policies and procedures, inspections, applications and approvals, reconciliations and monitoring.</i>	<b>Fieldwork Completed</b>				Fieldwork concluded and draft report being prepared. Outcomes to be reported to Committee in next update 2024-25
<b>Direct Payments</b> <i>A risk-based review to provide assurance on the effectiveness and robustness of the control framework and Council's arrangements for the administration and payment of direct payments using PFS pre-paid cards.</i>	<b>Fieldwork Completed</b>				Fieldwork concluded and draft report being prepared. Outcomes to be reported to Committee in next update 2024-25

Audit / Indicative Scope (as per 2023-24 Plan)	Status	Summary of issues			Summary
		High Risk	Medium Risk	Low Risk	
<b>Procurement</b> <i>A risk-based review to provide assurance about the effectiveness and robustness of the control framework that supports the delivery of effective and economic procurement that aligns with the Council's key objectives.</i>	<b>In Progress</b>				Outcomes to be reported to Committee in next update 2024-25
<b>Public Health Contract Management</b> <i>Review to be undertaken in Public Health Contract Management.</i>	<b>Review at planning stages</b>				The scope and terms of reference is being agreed, fieldwork due to commence in Q1 2024-25. Outcomes to be reported to Committee in next update 2024-25
<b>Parking Services</b> <i>A risk-based review of key controls in Parking Services.</i>	<b>Review at planning stages</b>				The scope and terms of reference is being agreed, fieldwork due to commence in Q1 2024-25. Outcomes to be reported to Committee in next update 2024-25
<b>Recruitment and Retention</b>	<b>Review did not proceed</b>				Review did not proceed due to resource constraints. Review to be considered for completion as part of 2024-25 planning process.
<b>Starters and Leavers</b>	<b>Review did not proceed</b>				Review did not proceed due to resource constraints. Review to be considered for completion as part of 2024-25 planning process.
<b>Section 106/CIL</b>	<b>Review did not proceed</b>				Review did not proceed due to resource constraints. Review to be considered for completion as part of 2024-25 planning process.
<b>Redefining Local Services (RLS) Programme</b>	<b>Review did not proceed</b>				Review did not proceed due to resource constraints. Review to be considered for completion as part of 2024-25 planning process.



Audit / Indicative Scope (as per 2023-24 Plan)	Status	Summary of issues			Summary
		High Risk	Medium Risk	Low Risk	
<b>Emergency Planning/Business Continuity</b>	<i>Review did not proceed</i>				Review did not proceed as an external review was undertaken which provided assurance against this area of inherent risk.
<b>Project Management (Property)</b>	<i>Review did not proceed</i>				Review did not proceed due to resource constraints. Review to be considered for completion as part of 2024-25 planning process.
<b>Performance Reporting</b>	<i>Review did not proceed</i>				Review did not proceed due to implementation of new performance reporting framework. Review to be considered for completion as part of 2024-25 planning process.
<b>Resident Support Fund</b>	<i>Review did not proceed</i>				Review did not proceed due to resource constraints. Review to be considered for completion as part of 2024-25 planning process.

## Appendix B – Summary of audits completed in Q4 2023-24

This appendix provides a summary of the high and medium risk issues emanating from audits completed since December 2023. Work completed earlier in 2023-24 was reported to the Committee in December 2023.

<b>A. Tenancy Management Organisation Watling Gardens</b>			
<i>Scope: To ensure that management has assessed all relevant risks and implemented adequate and effective controls within Watling Gardens Tenancy Management Organisation (TMO).</i>			
<b>Ref</b>	<b>Risks/Issues Identified</b>	<b>Priority</b>	<b>Responsible Officer /Target Date</b>
<b>1.</b>	<b>Budgetary controls</b> The TMO does not have a clear budget setting process and has not implemented adequate budgetary controls to review and monitor financial performance.	<b>HIGH</b>	Finance Officer 31 March 2024
<b>2.</b>	<b>Starters &amp; leavers</b> Inconsistencies were identified in the management of starters and existing staff members. Documentation including ID, academic qualifications and references were not being retained. DBS checks have not been undertaken for any of the TMO's staff.	<b>HIGH</b>	Housing Manager 28 February 2024
<b>3.</b>	<b>Contracts</b> There is no contracts register in place. Additionally, there was no evidence that a tender exercise was undertaken to demonstrate best value as no supporting documentation of the procurement was retained. There are insufficient monitoring arrangements in place for payroll contract.	<b>HIGH</b>	Housing Manager 31 March 2024
<b>4.</b>	<b>Governance</b> Gaps in governance related controls including inquorate Board meetings, unclarified terms of office for existing members, failure to effectively follow-up actions arising, absence of a skills audit and incompleteness of DoI forms.	<b>HIGH</b>	Housing Manager 31 March 2024
<b>5.</b>	<b>Purchasing and expenditure</b> Issues surrounding purchasing and expenditure processes, including instances where purchase orders were not raised, invoices not approved prior to payment and not paid promptly.	<b>HIGH</b>	Housing Manager Finance Officer 31 March 2024

## B. Housing Compliance Fire Risk Assessments (FRAs)

**Scope:** To provide assurance of the controls in place over the Council's responsibilities for fire safety across its property portfolio. For the purposes of this review, we only considered the responsibilities of the Council in relation to housing stock residential properties (owned by the Council) and Council managed hostels.

Ref	Risks/Issues Identified	Priority	Responsible Officer /Target Date
1.	<p><b>Tracking of remedial actions arising from FRAs</b></p> <p>The Council tracks remedial actions identified in high-rise buildings only; with no tracking in place for actions associated with low-rise buildings. For remedial works at high-rise properties, management does not retain evidence to verify completed remedial works.</p>	HIGH	Strategic Compliance Manager Head of Housing Property Services Contracts and Compliance Manager 30 June 2024
2.	<p><b>Expired FRAs</b></p> <p>The Council was not adhering to their own inspection frequencies for FRAs. One high-rise block had not been inspected within one year (six months overdue), Management could not locate any FRAs for one (low rise) property on their system and 12 low-rise blocks had not been inspected within the three-year inspection frequency.</p>	HIGH	Contracts and Compliance Manager 29 February 2024
3.	<p><b>Access to complete and accurate information</b></p> <p>The listing of properties that the Council has responsibility for maintaining FRAs contains some inaccuracies.</p>	HIGH	Asset Manager/Strategic Compliance Manager 31 March 2024
4.	<p><b>Oversight of FRA compliance</b></p> <p>No established, regular reporting of FRA compliance to senior management, including to Corporate Management Team (CMT) and above.</p>	MEDIUM	Head of Housing Property Services 30 June 2024
5.	<p><b>Policy and procedural documentation</b></p> <p>Several gaps/ issues with the current fire risk management policy and procedure.</p>	MEDIUM	Contracts and Compliance Manager Strategic Compliance Manager 29 February 2024
6.	<p><b>Quality assurance checks and contractor performance meetings</b></p> <p>Evidence of quality assurance checks was not provided. In addition, contractor performance meetings were not formally documented.</p>	MEDIUM	Contracts and Compliance Manager 29 February 2024

## C. Adult Social Care Supported Living

**Scope:** A risk-based review to provide assurance on the effectiveness and robustness of the Council's arrangements for supported living to ASC service users.

Ref	Risks/Issues Identified	Priority	Responsible Officer /Target Date
1.	<p><b>Supported Living Programme Board Meetings</b></p> <p>Only two Supported Living Programme Board meetings were held in the 12-month period between October 2022 and September 2023. No minutes were taken, and actions only recorded at one of the meetings. In addition, no papers or reports were prepared by the Board for issue to the Housing Care Investment Board (HCIB) to provide management information.</p>	HIGH	Operational Director Social Care Head of Commissioning, Contracting and Market Management 31 January 2024
2.	<p><b>Tracking status of ASC Supported Living properties</b></p> <p>The ASC Supported Living team does not maintain a tracker to monitor the status (i.e., whether void, under repairs or occupied) of all ASC Supported Living properties.</p>	HIGH	Head of Housing and Neighbourhoods Head of Commissioning, Contracting and Market Management 1 March 2024
3.	<p><b>Monitoring of void properties</b></p> <p>There is no monitoring of void properties. This includes monitoring the number of void properties within the ASC portfolio, their turnaround times, and the financial cost to the Council.</p>	HIGH	Head of Housing and Neighbourhoods Head of Commissioning, Contracting and Market Management 1 March 2024
4.	<p><b>Governance documentation</b></p> <p>SLA between ASC and BHM was last reviewed in October 2020. The response times for repair works to void properties documented in the SLA were not aligned and the Supported Living elements of the ASC Standard Operating Procedure document was in draft.</p>	MEDIUM	Head of Housing and Neighbourhoods Head of Commissioning, Contracting and Market Management 1 May 2024
5.	<p><b>Property management roles and responsibilities</b></p> <p>Involvement of the key teams and the respective roles and responsibilities in the property management process were not documented.</p>	MEDIUM	Head of Housing and Neighbourhoods Head of Commissioning, Contracting and Market Management 1 May 2024

## D. Pension Fund

**Scope:** To provide assurance on the effectiveness and robustness of the control framework for the Council's arrangements for the pensions' contributions management process.

Ref	Risks/Issues Identified	Priority	Responsible Officer /Target Date
1.	<b>Non-compliance with Pension Administration Strategy</b> Pension contributions - the monthly return was submitted late by an average of 97 days, with the highest number of days late being 187 days.	<b>MEDIUM</b>	Head of Finance Pensions and Housing Companies 31 March 2024

## E. Cyber (3rd party risk)

**Scope:** To assess and provide assurance on the robustness and completeness of the design of the Council's supply chain risk management control framework. Additionally, the audit will review the project plan for implementing the supply chain cyber security framework.

Ref	Risks/Issues Identified	Priority	Responsible Officer /Target Date
1.	<b>Lack of Supply Chain Security Framework, Programme Plan and Roadmap</b> STS do not have a supply chain framework, programme plan or roadmap which articulates a target operating model; or formally documented supply chain roles and responsibilities between STS, the Council and other suppliers.	<b>HIGH</b>	Cyber and Compliance Manager 28 June 2024
2.	<b>Insufficient supplier inventory</b> The current supplier inventory lists only contain contact related information and lacks data fields that are significant for supply chain security management.	<b>HIGH</b>	Cyber and Compliance Manager 30 April 2024
3.	<b>Insufficient risk prioritisation /categorisation</b> There is no risk prioritisation/categorisation of third parties from the inventory, based upon the criticality of services provided and business functions supported.	<b>HIGH</b>	Cyber and Compliance Manager 30 April 2024
4.	<b>Late engagement of STS security team in the STS's procurement process</b>	<b>MEDIUM</b>	Cyber and Compliance Manager 30 April 2024

	The STS security team is not engaged early enough with the STS's procurement process. This makes it difficult for them to identify control gaps or leverage negotiations to close or reduce risk.		
5.	<b>Supplier Security questionnaires are one-size fits all</b> STS utilises three supplier questionnaires, which (apart from the UK ICO DPIA) are only completed once upon procurement. These questionnaires are not tailored to take into consideration the specifics of the services provided by a supplier or changes to the services.	MEDIUM	Cyber and Compliance Manager 30 April 2024
6.	<b>Lack of centralised ownership of supply chain security</b> Responses to cyber security questionnaires are performed by technical architects and not cybersecurity professionals; these are not tracked within centralised reporting nor mapped to a centralised supplier risk register.	MEDIUM	Cyber and Compliance Manager 30 August 2024
7.	<b>Legacy supplier contracts with no cyber security involvement</b> There is a backlog of contracts without appropriate clauses relating to cyber security. The STS cyber security team does not perform regular reviews of the backlog of existing contracts without appropriate clauses relating to cyber security. These are only reviewed when the contract is up for renewal.	MEDIUM	Cyber and Compliance Manager 30 August 2024
8.	<b>No security incident response exercises performed on STS critical third parties</b> While incident response tests are performed on STS's own infrastructure, they are not performed on a supply chain level.	MEDIUM	Cyber and Compliance Manager 30 December 2024
9.	<b>Suppliers exit strategy</b> There is no documented supply chain termination or exit strategy.	MEDIUM	Cyber and Compliance Manager 30 August 2024
10.	<b>Training on supply chain security awareness</b> No mandatory supply chain security specific training exists. The training that does exist has been the same for a number of years and is not advanced.	MEDIUM	Cyber and Compliance Manager 30 August 2024
11.	<b>Limited view of fourth party risk</b> STS has a limited view of fourth party risk and therefore there is limited understanding on the concentration risk across STS.	MEDIUM	Cyber and Compliance Manager 30 August 2024

## F. IT Disaster Recovery

**Scope:** A risk-based review to provide assurance on the effectiveness and robustness of the Council's arrangements for managing business engagement and recovery prioritisation in the event of a major incident.

Ref	Risks/Issues Identified	Priority	Responsible Officer /Target Date
1.	<b>Command and Control procedure</b> There was no evidence to support a process that helps coordinate a DR episode.	<b>HIGH</b>	Head of Strategy and Technology Head of Operations 1 March 2024
2.	<b>Recovery order of critical systems</b> There was no evidence to support the thinking behind how the criticality of an application or service was determined.	<b>MEDIUM</b>	Head of Strategy and Technology Head of Operations 31 March 2024
3.	<b>Governance and documentation</b> There was evidence of conflicting document references and/or missing structure with the wider Business Continuity and Disaster Recovery programme.	<b>MEDIUM</b>	Head of Strategy and Technology Head of Operations 8 July 2024
4.	<b>ITDR aligns with BCM</b> From the two Business Continuity documents submitted (being the 'Business Continuity Protocol 2023' and the 'STS BC Plan v1.5'), there was no mention of each other or reference to the ITDR programme.	<b>MEDIUM</b>	Head of ICT Solutions Head of Operations 31 March 2024
5.	<b>ITDR Testing</b> Terminology and content were misconstrued as well as key metrics were missing, such as criticality metrics; Recover Time Objectives (RTO)/Recovery Point Objectives (RPO); server listing depicting target locations; and stop/start times of recovery steps to feed into overall RTO.	<b>MEDIUM</b>	Head of ICT Solutions Head of Operations 31 March 2024
6.	<b>BCM Continual Service Improvement (CSI)</b> Whilst there was good evidence provided to support Infrastructure/Service Delivery Lifecycle best practices, there was no reference to DR requirements.	<b>MEDIUM</b>	Head of Strategy and Technology 8 July 2024

## G. Planning Enforcement

**Scope:** A risk-based review to provide assurance on the operating effectiveness of key controls in place around planning enforcement to ensure that actions taken are appropriate and decisions are made in line with delegated officer responsibilities and guidance.

Ref	Risks/Issues Identified	Priority	Responsible Officer /Target Date
1.	<b>Reporting</b> Performance management information is not accurate, complete, relevant and timely to allow effective management decision making. The reporting out of Acolaid may not be complete and accurate.	MEDIUM	Team Manager Enforcement Planning Systems Manager 31 May 2024
2.	<b>Investigations and Actions</b> A clearly defined system for recording and monitoring planning enforcements and the decision outcome is not in place.	MEDIUM	Team Manager Enforcement 31 May 2024

## H. Accounts Receivable

**Scope:** A risk-based review to provide assurance on the robustness of the Council's controls in relation to accounts receivable, with a focus on invoice raising, debtors, reconciliations, and suspense accounts.

Ref	Risks/Issues Identified	Priority	Responsible Officer /Target Date
1.	<b>Debt write-offs and retention of evidence</b> No evidence was provided to demonstrate that approval of write-offs had been made in line with the approval matrix.	MEDIUM	Head of Transactional Services 31 May 2024
2.	<b>Timely authorisation of invoices</b> Invoices are raised and authorised by the Accounts Receivable team following a request from service areas within five days following the request. Examples were seen of invoices not authorised in a timely manner.	MEDIUM	Head of Transactional Services 31 May 2024
3.	<b>Long standing suspense items</b>	MEDIUM	Head of Finance (Communities and Regeneration/Chief Accountant) 31 December 2024



## G. Planning Enforcement

**Scope:** A risk-based review to provide assurance on the operating effectiveness of key controls in place around planning enforcement to ensure that actions taken are appropriate and decisions are made in line with delegated officer responsibilities and guidance.

Ref	Risks/Issues Identified	Priority	Responsible Officer /Target Date
	Long-standing unidentified balances are not reconciled or investigated. It is only when a claim is made from the customer with evidence of payment being provided, that a suspense line item is cleared.		
4.	<b>Monthly reconciliations between AR subledger and the general ledger</b> No evidence on the reconciliation sheet to evidence who prepared the reconciliation and when. Reconciling differences had not been appropriately investigated and cleared.	MEDIUM	Team Leader FSCC and Deputy Director of Finance. 31 May 2024
5.	<b>Oversight of debt chasing activities</b> Automated debt reminder letters are initiated and sent to customers through the Oracle system. The debt collecting team do not have visibility on reminder letters sent for overdue debt.	MEDIUM	Service Manager – Revenue and Debt 31 December 2024

## I. Accounts Payable

**Scope:** A risk-based review to provide assurance on the design and effectiveness of the Council's controls in relation to the accounts payable process.

Ref	Risks/Issues Identified	Priority	Responsible Officer /Target Date
1.	<b>Supplier listing</b> The approved list of suppliers is not adequately maintained and does not detail the type of service the current listed suppliers can provide. The approved list has not been reviewed since May 2022.	HIGH	Head of Procurement 30 June 2024
2.	<b>Supplier onboarding</b> There is a growing trend of supplier onboarding requests or PO creation by departments after services have already been delivered by the supplier.	MEDIUM	Head of Procurement 30 June 2024

## G. Planning Enforcement

**Scope:** A risk-based review to provide assurance on the operating effectiveness of key controls in place around planning enforcement to ensure that actions taken are appropriate and decisions are made in line with delegated officer responsibilities and guidance.

Ref	Risks/Issues Identified	Priority	Responsible Officer /Target Date
3.	<b>BACS payment file</b> Evidence of the review and authorisation of BACS payment files is not documented by the AP Manager.	MEDIUM	Head of Transactional Services <i>Implemented</i>
4.	<b>Payment terms</b> Payment terms were not always met either due to a delay in receiving approval for invoice payment or the PO against which the invoice was received had insufficient funds.	MEDIUM	Head of Transactional Services Head of Procurement <i>Implemented</i>

## J. Financial Planning, Monitoring and Sustainability – DSG High Needs Block and School Balances

**Scope:** A risk-based review to provide assurance on the controls relating to the Financial Planning, Monitoring and Sustainability for Schools, specifically: the DSG High Needs Block Deficit and general School Balances.

Ref	Risks/Issues Identified	Priority	Responsible Officer /Target Date
1.	<b>Schools in Deficit Risk Criteria</b> The risk formula that the School Finance team are using does not include pupil population compared to capacity which would affect the school's DSG allocation.	HIGH	Senior Finance Analyst 31 July 2024
2.	<b>Delivering Better Value Project (DBV) Action Plan</b> A significant number of the DBV actions have not been completed and the target dates have passed.	MEDIUM	Programme Manager and Director, Education, Partnerships and Strategy 31 May 2024
3.	<b>Additional Schools in Deficit</b> Without evaluating an approach that incorporates alternative partnerships for all schools as a strategic resolution, the deficit position of schools will not improve.	MEDIUM	Senior Finance Analyst and Head of Setting and School Effectiveness 30 June 2024

## G. Planning Enforcement

**Scope:** A risk-based review to provide assurance on the operating effectiveness of key controls in place around planning enforcement to ensure that actions taken are appropriate and decisions are made in line with delegated officer responsibilities and guidance.

Ref	Risks/Issues Identified	Priority	Responsible Officer /Target Date
1.	<b>Information Sharing</b> No formal minutes/action points are recorded for the monthly meetings between the School Finance and the CYP School Effectiveness teams.	<b>MEDIUM</b>	Senior Finance Analyst and Head of Setting and School Effectiveness 30 June 2024

## 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, 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 (as at first follow-up)				Comments
		Implemented	Partially Implemented	Not Implemented	No longer relevant	
Workforce and Succession Planning	Completed	1	6	0	0	Management continues to provide updates regarding the outstanding actions.
Key Financial Controls	Completed	9	1	0	0	Management continues to provide updates regarding the outstanding actions.
Council Companies and Governance	Completed	9	0	0	0	
Debt Management	Completed	4	1	0	0	Management continues to provide updates regarding the outstanding actions.
Fostering	Completed	7	0	4	0	Management continues to provide updates regarding the outstanding actions.
Purchasing Cards	Completed	6	8 (2)	2	0	Management continues to provide updates regarding the outstanding actions.
Contract Management	Completed	6	2	1	0	Management continues to provide updates regarding the outstanding actions.

Follow-up	Status	Follow-up Outcomes (as at first follow-up)				Comments
		Implemented	Partially Implemented	Not Implemented	No longer relevant	
Building Controls Finance	<i>Completed</i>	4	5	2	0	Management continues to provide updates regarding the outstanding actions.
Demand for Services	<i>Completed</i>	8	0	0	0	
Equality Strategy	<i>Completed</i>	2	0	8	0	Management continues to provide updates regarding the outstanding actions.
Grant Management	<i>Completed</i>	3	0	0	0	
Large Event Day Management	<i>Completed</i>	2	3	6	0	Management continues to provide updates regarding the outstanding actions.
MTFS and Delivery of Savings	<i>Completed</i>	3	3	0	0	Management continues to provide updates regarding the outstanding actions.
Capital Programme	<i>Completed</i>	1	0	0	0	
Voids	<i>Completed</i>	6	7 (3)	4	0	Management continues to provide updates regarding the outstanding actions.
Family Wellbeing Centres	<i>Completed</i>	4	2	1	0	Management continues to provide updates regarding the outstanding actions.
Better Care Fund	<i>Completed</i>	5	6 (3)	4 (3)	0	Management continues to provide updates regarding the outstanding actions.
NEC Northgate Housing Benefit	<i>Completed</i>	0	2 (2)	5 (1)	0	Management continues to provide updates regarding the outstanding actions.

Follow-up	Status	Follow-up Outcomes (as at first follow-up)				Comments
		Implemented	Partially Implemented	Not Implemented	No longer relevant	
<p><b>The following follow-ups are in progress and will be reported in 2024-25:</b></p> <ul style="list-style-type: none"> <li>• Website</li> <li>• Property Valuations</li> <li>• Digital Strategy</li> <li>• KFC Payroll</li> <li>• Private Sector Property Licensing (HMO)</li> <li>• Licensing</li> <li>• NEG2 Overpayment May 2023</li> <li>• NRPF and Intentionally Homeless</li> <li>• Information Governance Data Breaches</li> </ul>						

## Appendix D – High and Medium Overdue Actions (as at 30 April 2024)

Audit	Recommendation	Agreed Action	Risk Rating	Original Target Date	Revised Target Date
<b>IT Asset Management in Shared Service</b>	Provide relevant training to key stakeholders as required including their responsibility for the management and use of IT assets.	As per recommendation.	<b>High</b>	30 September 2021	31 October 2023
<b>Purchasing Cards</b>	The backlog of PFS transactions due to a change in subjective code should be cleared promptly.	As per recommendation.	<b>High</b>	7 December 2023	29 February 2024
<b>Purchasing Cards</b>	All respective cost centre managers should be regularly reminded of any payments incurred with prepaid cards to facilitate adequate oversight over budgets.	As per recommendation.	<b>High</b>	7 December 2023	29 February 2024
<b>Building Control Finance</b>	Building Control should ensure that procedural guidance is put in place setting out the approach to managing and monitoring income.	Procedural guidance was in place back in 2010, however, this needs to be updated to reflect current practices and systems. We are looking for specialist assistance from within the Council to help with this and provided this is forthcoming, our aim is for this to be completed by January 2023.	<b>Medium</b>	31 March 2023	30 April 2024
<b>Large Event Day Management</b>	Management should implement a process to capture all large day event actions, including target dates and a responsible officer to bring to subsequent event planning meetings. The process should be embedded into business as usual processes rather than relying on individuals	There is a general acceptance that following the Casey review we have made a number of changes at pace to both address the recommendations of the Casey report with a primary focus on managing large event days to prevent future issues. Whilst	<b>Medium</b>	22 February 2024	30 April 2024

Audit	Recommendation	Agreed Action	Risk Rating	Original Target Date	Revised Target Date
	remembering what happened last time. The details should also be included in the Council's local procedures.	processes have not all been recorded, there has been a consistent approach to event day management with debriefs taking place after each event. A robust log is now standard practice to record activity throughout the day.			
<b>GLA Affordable Housing Programme</b>	Management should ensure that key data and documentation of completed schemes, are retained and secured appropriately in the event evidence is required.	As per recommendation.	<b>Medium</b>	9 February 2023	31 March 2023
<b>Purchasing Cards</b>	Review the annual spend of each cardholder to ensure agreed credit limits are still required.	Annual Review to be completed in March whereby cardholder spend is reviewed and will be reduced if agreed criteria are met.	<b>Medium</b>	7 December 2023	29 February 2024
<b>Purchasing Cards</b>	Where possible, staff members that require PFS cards should be provided a GPC Barclaycard.	GP Card will be promoted with new card requests.	<b>Medium</b>	7 December 2023	29 February 2024
<b>Purchasing Cards</b>	The number of PFS cards in use should be reduced to facilitate better management and oversight of expenditure.	PFS cards are given only to staff in exceptional circumstances, as defined in the new policy, where a GPC card is not appropriate; funds returned from existing PFS cards issued to staff.	<b>Medium</b>	7 December 2023	29 February 2024
<b>Purchasing Cards</b>	Ensure that all cardholders are provided adequate training and guidance regarding the importance of retaining a VAT receipt and recording the tax incurred for each purchase	As per recommendation.	<b>Medium</b>	7 December 2023	29 February 2024



Audit	Recommendation	Agreed Action	Risk Rating	Original Target Date	Revised Target Date
	<p>when using the PFS cards. The PFS monthly expenditure form template should be amended to include fields to facilitate recording of VAT. The amended template should be provided to all PFS cardholders. Guidance document to be updated which will include points to address the recommendations above.</p>				
<b>Purchasing Cards</b>	<p>Liaise with Barclaycard to explore the possibility of making the 'tax coding' section within the BSM portal mandatory for all purchases - to be raised with Barclaycard</p>	<p>As per recommendation.</p>	<b>Medium</b>	7 December 2023	29 February 2024
<b>Purchasing Cards</b>	<p>Management should ensure that the submission of expenditure logs is recorded and monitored.</p>	<p>A note on expenditure logs to be included in the previously mentioned guidance documents and will include what will happen in the event of non-compliance.</p>	<b>Medium</b>	7 December 2023	29 February 2024
<b>Purchasing Cards</b>	<p>Management should ensure that delays in receiving expenditure logs are promptly followed up.</p>	<p>A monitoring document to be created which will keep record of who isn't submitting their expenditure logs.</p>	<b>Medium</b>	7 December 2023	29 February 2024
<b>Purchasing Cards</b>	<p>The Council should ensure that adequate and up-to-date guidance is in place for PFS and GPC cards and all guidance documents should be subject to a review on a periodic basis. All application form templates should be amended to include up-to date information.</p>	<p>Guidance to be updated and circulated.</p>	<b>Medium</b>	7 December 2023	29 February 2024

