

## Appendix 2 – Summary of Risks/Issues from Audits Completed in Quarters 1 and 2

This appendix provides a summary of the high and medium risk issues emanating from audits completed as part of the 2024-25 plan. Updates in respect of progress and implementation will be provided as part of the Interim Internal Audit Report for 2024-24, scheduled for December 2024.

<b>A. First Wave Housing i4B Billing Arrangements</b>			
Ref	Risks/Issues Identified	Priority	Responsible Officer /Target Date
1.	<p><b>Lack of oversight of legal disrepair cases</b></p> <p>Processes and controls stipulated in the SLA are not operating in practice. Performance reports and updates, as outlined in the SLAs, are not being provided to the companies. There is a lack of communication regarding new cases, resulting in the companies being unaware of cases until they have already been settled.</p>	<b>HIGH</b>	Strategy and Delivery Manager 31 July 2024
2.	<p><b>Oversight and inspection of void works and properties</b></p> <p>There is a lack of formal structure for sharing information between surveyors and company management on void works and costs. SLA meetings on void status are informal and not minuted and required monthly reporting metrics have not been implemented. Additionally, there is no documented sign-off process for surveyors' approval of void works.</p>	<b>HIGH</b>	Strategy and Delivery Manager 30 June 2024
3.	<p><b>Council tax billing processes</b></p> <p>The process for calculating council tax liabilities is unclear and not documented in any formal policy or procedure. The Council lacks the system capability or a separate tracker to record void properties and periods, which could improve efficiency in calculating council tax liabilities if implemented as a regular control.</p>	<b>MEDIUM</b>	Strategy and Delivery Manager 30 June 2024
4.	<p><b>Lack of policies and procedures</b></p> <p>Outside of the SLA between Brent and the companies, there is no documentation that set outs the billing and management processes for legal disrepair, council tax, or void repair works. The SLA outlines responsibilities and expectations but lacks detailed procedures for receiving, progressing, and monitoring cases and repair jobs. Additionally, there is no procedure document detailing the arrangements for the council tax billing process between the companies and the Council.</p>	<b>MEDIUM</b>	Strategy and Delivery Manager 30 June 2024

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<b>B. IT Application Review - NEC Revenues and Benefits</b>			
Ref	Risks/Issues Identified	Priority	Responsible Officer /Target Date
1.	<p><b>User Activity Monitoring</b></p> <p>No standard operating procedure (SOP) has been developed for reviewing audit logs, therefore user activity logs are not monitored.</p>	<b>MEDIUM</b>	Applications Support Lead 31 July 2024
2.	<p><b>User deactivation dates</b></p> <p>The NEC Revenues and Benefits application cannot pull through dates users were deactivated in the system; therefore, we were unable to confirm that the date of deactivation for a sample of leavers had been processed in a timely manner.</p>	<b>MEDIUM</b>	Applications Support Officer 31 May 2024
3.	<p><b>Segregation of Duties Matrix</b></p> <p>No Segregation of Duties Matrix has been developed that outlines Role Based Access Controls that need to be segregated.</p>	<b>MEDIUM</b>	Applications Support Lead 31 July 2024
<b>C. Brent Music Service</b>			
Ref	Risks/Issues Identified	Priority	Responsible Officer /Target Date
1.	<p><b>Safeguarding</b></p> <p>Significant gaps were identified in Enhanced DBS checks, off-payroll (IR35) assessments, and ID/right to work verifications for both staff and contractors. This included support staff with absent DBS checks, and contractors for whom we could not evidence that ID checks had taken place.</p>	<b>HIGH</b>	Service Development and Operations Manager 30 September 2024
2.	<p><b>IT and data</b></p> <p>The service is using its own IT provider leading to issues around utilisation of g-mail rather than Brent.gov, pupil data retention, Brent intranet and e-mails retention.</p>	<b>HIGH</b>	Service Development and Operations Manager 31 July 2024

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3.	<p><b>Partnerships</b></p> <p>Charity Commission reporting is significantly overdue, and there is a lack of oversight surrounding BMS and its charity partnerships. The service does not have control of its charity bank account and charity income has not been declared in over three years.</p>	<b>HIGH</b>	Head of Music Service 31 July 2024
4.	<p><b>Asset Management</b></p> <p>The service does not have an instrument manager to manage its significant inventory. The post has been vacant for almost a year. Instruments are not being stored appropriately and are not always in their expected location.</p>	<b>MEDIUM</b>	Head of Music Service 31 July 2024
5.	<p><b>Income management &amp; banking</b></p> <p>Deficient record-keeping and absence of banking policies compromise financial integrity. The service does not have retained records of cash collected or a procedure for banking cash donations.</p>	<b>MEDIUM</b>	Service Development and Operations Manager 30 September 2024
6.	<p><b>Budgetary controls</b></p> <p>Invoicing backlogs were noted, urging the need for process mapping and exploration of upfront payment models to enhance budget monitoring and financial management.</p>	<b>MEDIUM</b>	Service Development and Operations Manager 30 September 2024
<b>D. True Compliance (Housing Compliance)</b>			
Ref	Risks/Issues Identified	Priority	Responsible Officer /Target Date
1.	<p><b>Data Integrity</b></p> <p>Further investigation into the automation of the transfer and reconciliation of data from Northgate to True Compliance would ensure more timely reporting and accuracy of data.</p>	<b>HIGH</b>	Asset Manager 1 October 2024
2.	<p><b>Polices and Procedure</b></p> <p>The absence of policies, procedures and training records on True Compliance may lead to inconsistencies with the treatment of properties on the system.</p>	<b>MEDIUM</b>	Building Manager Complete