



## London Borough of Enfield

<b>Report Title:</b>	Internal Audit and Counter Fraud Annual Report 2023-24
<b>Report to:</b>	General Purposes Committee
<b>Date of Meeting:</b>	24 July 2024
<b>Cabinet Member:</b>	Cllr Tim Leaver, Cabinet Member for Finance and Procurement
<b>Directors:</b>	Terry Osborne, Director of Law & Governance
<b>Report Author:</b>	Marion Cameron, Head of Internal Audit Marion.Cameron@Enfield.gov.uk
<b>Wards affected:</b>	All
<b>Classification:</b>	Part I Public

### Purpose of Report

1. The Internal Audit and Counter Fraud Annual Report 2023-24 (**Annex A**) summarises:

- the results of the work that the Internal Audit and Counter Fraud teams undertook during 2023-24
- the continued work of the Head of Internal Audit to target limited resources at the highest priority services
- the opinion of the Head of Internal Audit that there is **Reasonable** assurance over the arrangements for governance, risk management and internal control in the London Borough of Enfield
- the actions the Internal Audit team will implement to ensure the continuous improvement of the service

### Recommendations

- I. To note the work completed by the Internal Audit and Counter Fraud teams during the period 1 April 2023 to 31 March 2024 and the key themes and outcomes arising from this work.

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**Appendices**

Annex A – Internal Audit Annual Report 2023-24

**Background Papers**

None

**CE24/009**

## Annex A



# Internal Audit Annual Report 2023-24

July 2024

# Summary of Internal Audit Work

## Internal Audit

This report summarises the internal audit work undertaken during 2023-24 and provides an overview of the effectiveness of controls in place during the year.

In 2023-24, 38 assignments were undertaken, and audit opinions were given for 27 of these assignments. The remaining assignments included grant certifications and standalone advisory assignments for which no opinion was stated.

A summary of all audits completed during the year is included in **Appendix 1**.

## Internal Audit Purpose and Mission

The purpose of London Borough of Enfield's Internal Audit team is to provide independent, objective assurance and consulting services designed to add value and improve the London Borough of Enfield's operations. The mission of Internal Audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight. The Internal Audit team helps the London Borough of Enfield accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

## Governance

The Head of Internal Audit reports directly to the Director of Law and Governance and Monitoring Officer but is also required to report on certain matters to those charged with governance which, at Enfield includes the General Purposes Committee. Additionally, the Assurance Board takes a key role in governance and assurance and receives regular reports from the Head of Internal Audit and key areas of activity undertaken by the Internal Audit team. Briefly the functions carried out by the General Purposes Committee and the Assurance Board are:

### General Purposes Committee

- reviews and approves the Internal Audit Charter annually
- reviews and approves the Internal Audit Plan annually
- receives regular progress reports on the Internal Audit Plan and implementation of agreed audit actions

### Assurance Board

- reviews the Internal Audit Plan annually
- reviews progress against the Internal Audit Plan
- reviews the implementation of agreed audit actions

- receives verbal updates from owners of Limited or No assurance audits and from owners of overdue audit actions

## **Internal Audit Plan 2023-24**

An Internal Audit Plan covering the financial year 2023-24 was agreed with the General Purposes Committee on 16 March 2023. As the year progressed, Internal Audit continued to liaise with Executive Directors, Directors and Heads of Service and changes to the plan were made as a result. These changes are outlined in **Appendix 2**.

## **Internal Audit Methodology**

Our audits are conducted in accordance with the Council's internal audit methodology which is in compliance with the Public Sector Internal Audit Standards (PSIAS).

Terms of reference are agreed with the audit owner for each piece of work, identifying the scope and objectives of the audit as well as identifying key risks and controls. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

Our reporting methodology is based on four assurance levels in respect of our overall conclusions as to the design and operational effectiveness of controls within the process reviewed - Substantial, Reasonable, Limited or No assurance. An element of judgement will always be required when deciding on the appropriate assurance level. Details of the assurance levels used during the year are given in **Appendix 3**.

Draft reports are reviewed and agreed with audit stakeholders before final reports are issued.

Where it is not appropriate to provide an opinion, audit work is reported in the form of a management letter, which, depending on the nature of the review, may include an action plan for improvement. Types of assignment reported by management letter are:

- reviews of grant claims and the Mayor's charity financial statements
- follow-ups of managers' progress with the implementation of recommendations from previous audit work
- where the system of control has changed recently, such that there was insufficient evidence of current controls in operation to facilitate testing of their effectiveness
- where management requests internal audit advice to assist in the design of a new or improved control framework
- where management requests an internal audit review to analyse or investigate areas of concern or known weakness and advise on the improvements needed.

The Head of Internal Audit has responsibility for services which, although related, are outside of the remit of the Internal Audit team. These services are Counter Fraud and Insurance. To avoid potential impairment of objectivity, these services are risk assessed alongside other Council services in formulating the Internal Audit Plan. Where reviews were required, these were undertaken by the Councils co-source partner, PwC.

### **Audit Actions Implementation**

During the review of draft reports, audit actions and implementation target dates are agreed. The Internal Audit team follow up with action owners to ensure actions are implemented by the agreed target dates and report implementation progress to the Assurance Board and the General Purposes Committee.

### **Annual School Internal Audit Report**

As part of the annual Internal Audit Plan, a number of schools' audits are carried out each year. Our aim is to audit all maintained schools every 4 to 5 years. The schools' audit programme covers:

- compliance with the Scheme for Financing Schools
- compliance with the Council's Finance Manual for Schools, including the Contract Procedure Rules
- ensuring good financial, data security, asset management and business continuity practices are in place.

Each year we prepare a separate Annual Schools' Internal Audit Report that is shared with school stakeholders, the Assurance Board, and the General Purposes Committee.



# Annual Audit Opinion

## Introduction

The Public Sector Internal Audit Standards (PSIAS) require the chief audit executive (who at the London Borough of Enfield is the Head of Internal Audit) to deliver an annual internal audit opinion and a report that can be used by the organisation to inform its governance statement.

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual report must also include a statement on conformance with the PSIAS and the results of the quality assurance and improvement programme.

At the London Borough of Enfield, this is achieved through a risk-based plan of work agreed with management and approved by the General Purposes Committee, which should provide an appropriate level of assurance, subject to the inherent limitations described below and set out in **Appendix 4**. The opinion does not imply that Internal Audit has reviewed all risks relating to the organisation.

This report forms an important input to the Annual Governance Statement, which is a key requirement of the Council's annual accounts.

## Head of Internal Audit's Annual Opinion

The General Purposes Committee agreed to an internal audit plan covering 49 subject areas. The work programme was targeted at the Council's highest risk areas of operation. I am satisfied that sufficient internal audit work has been undertaken to allow an opinion to be given as to the adequacy and effectiveness of governance, risk management and control. It should be noted that assurance can never absolutely state that there are no major weaknesses in the system of internal control.

My opinion for 2023-24 is as follows:

### Reasonable Assurance

The opinion of the Head of Internal Audit is that the arrangements for governance, risk management and internal control provided **Reasonable** assurance that material risks, which could impact upon the achievement of the Council's services or objectives, were being identified and managed effectively. Improvements are required in the areas identified in our reports to enhance the adequacy and effectiveness of the framework of governance, risk management and internal control.

## Basis of the opinion

The basis for forming my opinion is as follows:



- an assessment of the design and operation of the underpinning assurance framework and supporting processes
- an assessment of the range of individual opinions arising from risk-based audit assignments delivered during the year
- an assessment of management's progress in addressing control weaknesses both this year and carried forward from 2022-23
- any reliance that is being placed on third party assurances
- the effects of any significant changes in the Council's objectives or systems
- cumulative audit knowledge and intelligence gathered through attendance at key meetings and other working groups
- any limitations which may have been placed on the scope or resources of internal audit.

In summary, the Head of Internal Audit's opinion is **Reasonable** which is consistent with 2022-23. The principal reasons for this opinion are:

- the profile of audit opinions given in individual audit reports during the year remains within parameters consistent with 2022-23
- there has been a continued focus on implementing audit actions resulting in consistently high implementation rates
- the risk management culture in the Council continues to improve.

A detailed analysis of the audit work performed is given below.

# Analysis of Internal Audit Work

## Overview of work done

The internal audit plan was designed to be flexible, and reviews have moved in and out of the work programme during the year to accommodate the Council's changing risk profile and ability to obtain assurances from other reliable sources. This resulted in a reduction of 15 reviews from the agreed audit plan of 49 audits. However, 4 new assignments were undertaken to substitute for some of the cancelled or deferred audits, resulting in a total of 38 assignments undertaken in 2023-24. The changes were notified to the General Purposes Committee during the year and have not impacted the assurance opinion. Full details of changes to the audit plan are given in **Appendix 2**.

Key points to note from the delivery of the 2023-24 audit plan are:

- internal auditors were independent of the areas audited
- no significant limitations or restrictions were placed on the scope or resources of Internal Audit
- the Head of Internal Audit and her predecessor attended departmental management team meetings and Assurance Board meetings during the year to present ongoing and planned internal audit work, including the implementation of agreed audit actions. This enabled Internal Audit to provide early input on risk management and internal control matters for key activities and projects
- Internal Audit operated a co-sourced model in partnership with PwC. This provided the Council with the ability to access specialist resources especially in the areas of Finance and Digital Services
- Internal Audit follows the Public Sector Internal Audit Standards (PSIAS). The PSIAS require an independent peer review to be carried out every 5 years. This was last carried out in January 2020. There is also a requirement for Internal Audit to undertake an annual self-assessment and from this to develop a Quality Assessment Improvement Plan (QAIP).

In January 2024, revised Global Internal Audit Standards were issued. These standards are to be implemented by January 2025 and PSIAS will be revised in line with the global standards.

This year we have undertaken an internal self-assessment against the revised Global Internal Audit Standards using a template designed by the Chartered Institute of Internal Auditors. Details of the QAIP are given in **Appendix 5**.

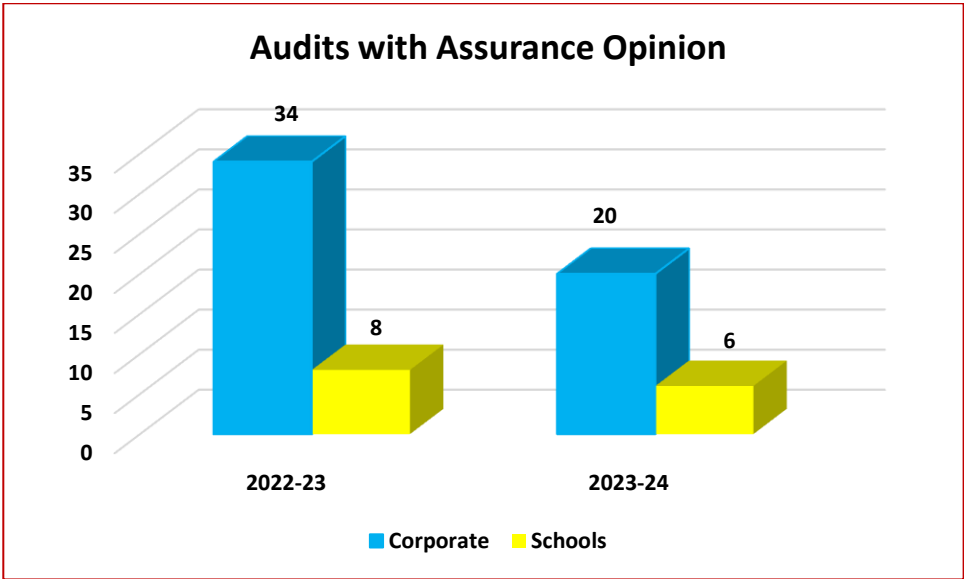
- This report also includes the work undertaken by the Council's Counter Fraud team.

Conscious of the significant pressure on resources that the Council faces, internal auditors continued to support management by identifying potential process efficiencies and streamlining controls wherever possible.

**Audit outcomes**

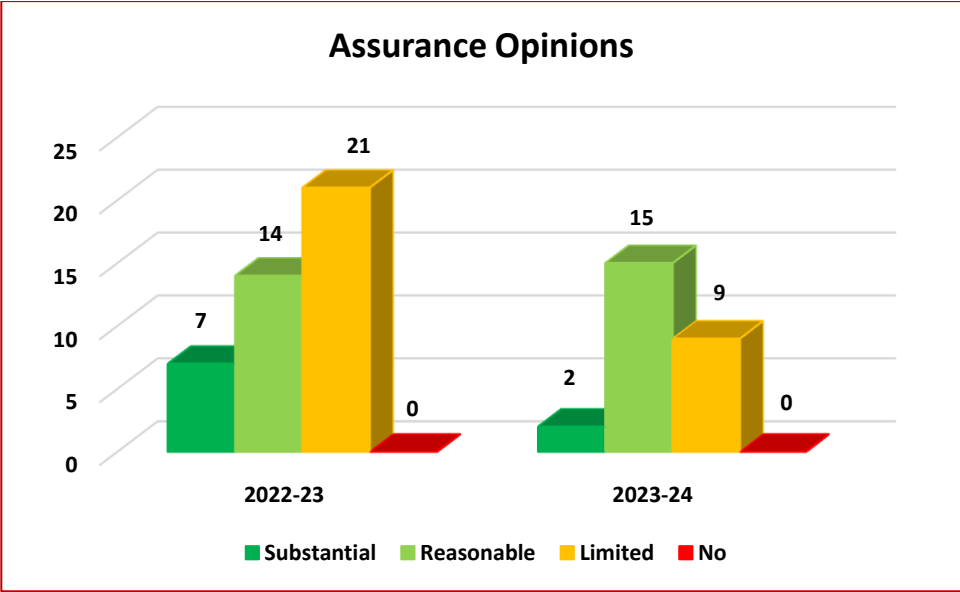
The Council’s Internal Audit Plan covered the Council’s key processes and systems and those operating in Enfield’s schools.

In 2023-24, 49 audits (2022-23: 64) were commissioned through the Council and monitored by the Assurance Board, of which 26 (2022-23: 42) received an assurance rating.

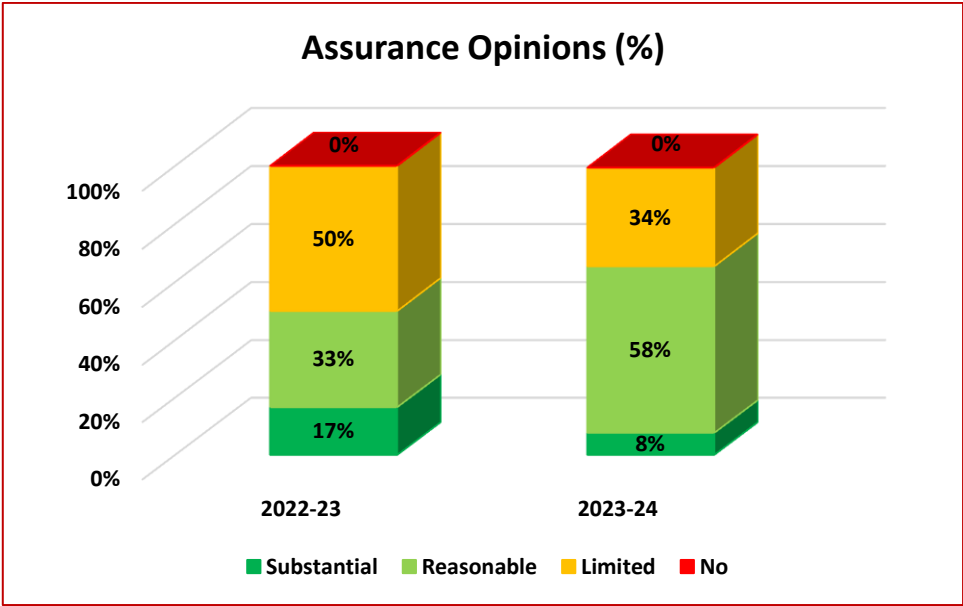


20 of the audits that received an assurance opinion were targeted at key corporate services and 6 were schools’ audits. This compares to 34 corporate audits and 8 schools’ audits in 2022-23.

The assurance opinions given for 2023-24 compared to 2022-23 are summarised as follows:

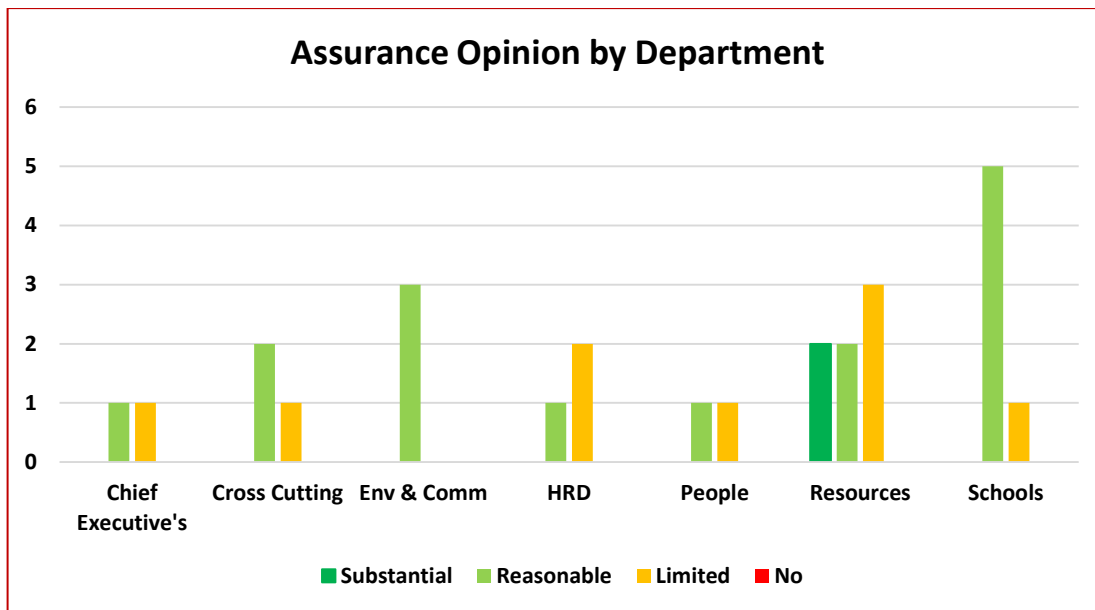


The following chart shows the assurance opinions given as a percentage of audits carried out:



In arriving at our view that the overall audit opinion for 2023-24 is **Reasonable**, we have taken into account the fact that we did not issue any **No** assurance opinions in 2023-24 and, while there was a decrease in in **Substantial** assurance opinions compared to 2022-23, the majority of opinions issued were **Reasonable** assurance.

Analysis of audit assurance opinions for each of the Council’s Departments is provided in the following chart:



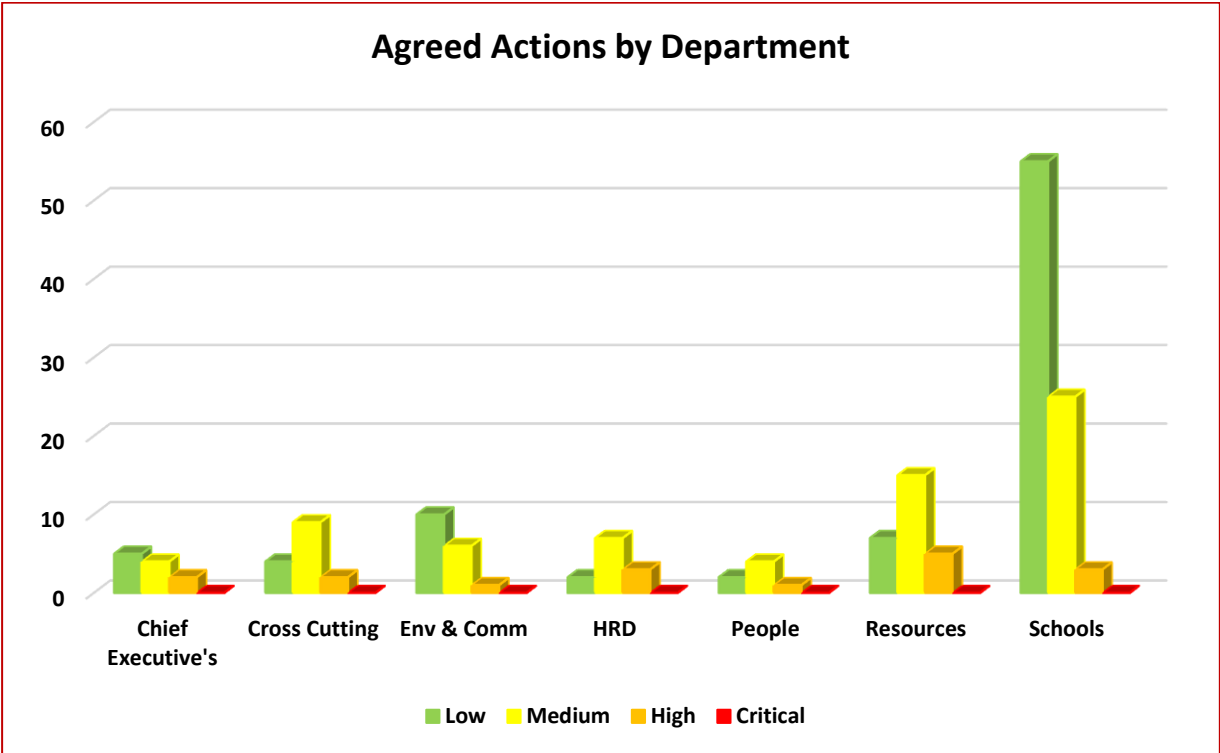
9 **Limited** assurance opinions were issued in 2023-24. These audits were:

Dept.	Audit	Assurance Level	Actions			
			Critical	High	Medium	Low
Chief Executive's	Additional Payments	<b>Limited</b>	-	2	1	-
Cross Cutting	Direct Payments	<b>Limited</b>	-	2	6	1
Housing, Regeneration & Development	Housing Conditions	<b>Limited</b>	-	1	4	-
Housing, Regeneration & Development	Housing Repairs & Maintenance - Disrepairs	<b>Limited</b>	-	2	-	-
People	Home Care Support	<b>Limited</b>	-	1	2	1
Resources	Adult Social Care Debt Collection	<b>Limited</b>	-	2	6	2
Resources	Education Funding	<b>Limited</b>	-	2	1	-
Resources	Facilities Management & Compliance	<b>Limited</b>	-	1	2	-
Schools	Freezywater St Georges CE Primary School	<b>Limited</b>	-	1	6	8

Key findings from the audits not yet presented to the General Purposes Committee are provided in **Appendix 6**.

### Agreed actions

In total, 172 actions for improvement have been discussed and agreed with management, including 17 actions addressing high risk findings. No critical risk actions were identified in 2023-24. The actions are broken down by Department in the following chart:

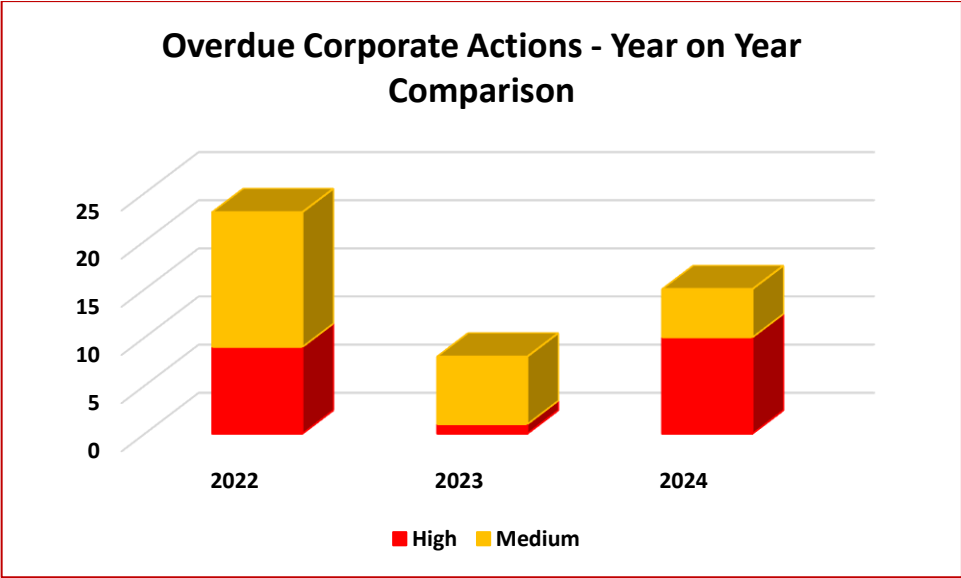


Due to the nature of the schools' audit programme, it is not unexpected that a higher number of actions are allocated to schools.

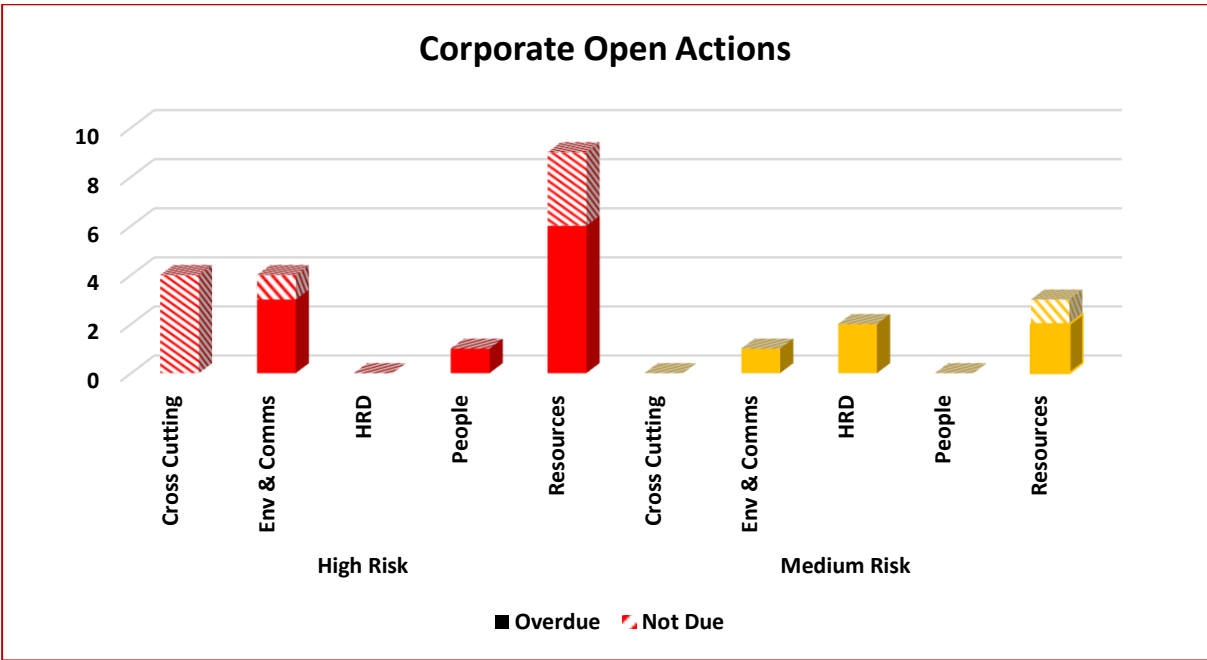
### Action implementation

The implementation of agreed actions is tracked by the Internal Audit team and reported to the Assurance Board and the General Purposes Committee.

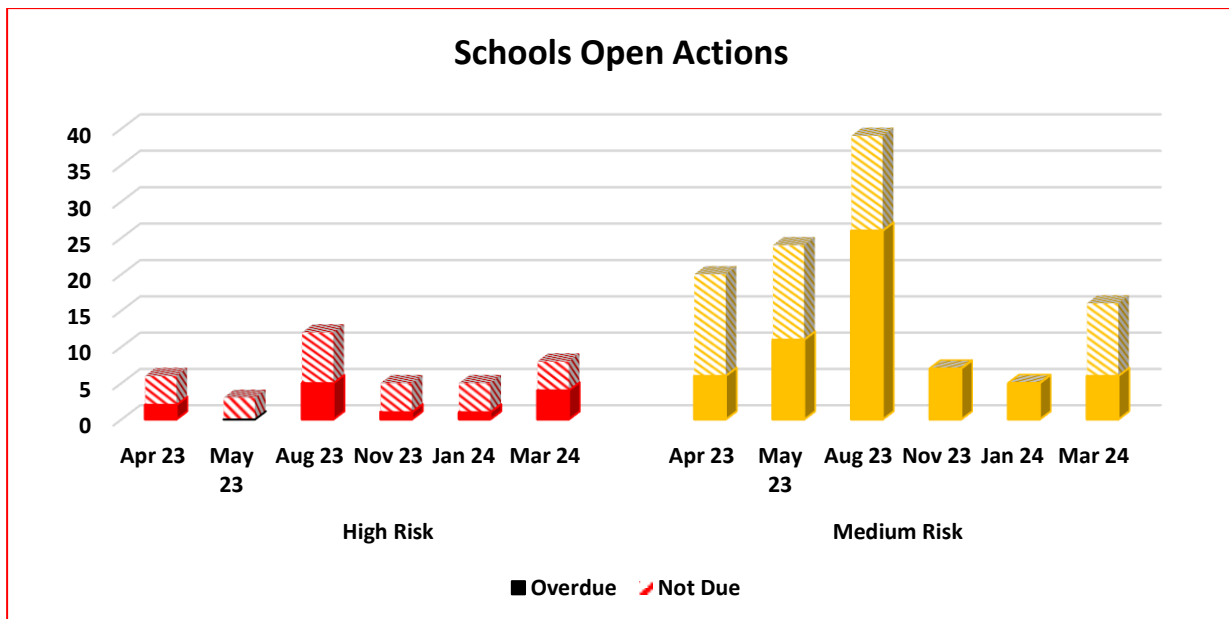
As can be seen from the following chart, the Assurance Board's focus on action implementation has resulted in a continuing low number of overdue actions. This is also a factor in the overall **Reasonable** opinion for the year.



Open audit actions at 31 March 2024 by Corporate Department are shown in the chart below:



The chart for schools also shows a positive action implementation rate:



## Key Themes Identified

During 2023-24 a good level of engagement between Internal Audit and senior management has continued. This has enabled the Internal Audit team to focus on key areas of risk as well as work closely with management to formulate actions to address areas where improvement is required.

Although we have identified areas of good practice, some areas where we have identified areas for improvement are:

- **Statement of Accounts**

The 2018-19 Statement of Accounts is the last set of financial statements on which the Council's external auditors have stated an opinion. Those accounts were unqualified.

Arrangements have been put in place to expedite the completion of the outstanding accounts, but the completion of audited financial statements is important so that the Council is able to manage its finances effectively and to provide accountability and information to external stakeholders, including local residents.

- **Governance arrangements**

Further improvements are required to strengthen the governance environment. In particular, we have continued to find that compliance with the Council's Contract Procedure Rules can be improved. Whilst improved contract management policies have been put in place, we still found gaps in the practical application of



these policies in below threshold procurement activities (i.e., where the Procurement Service are not closely involved).

In several cases, we found that the Council was engaging the services of third parties without the security of a contract being in place or continuing to engage using an expired contract.

Our work identified several areas where expenditure had not been appropriately scrutinised or authorised. Also, there were occasions when the Council's purchasing processes had not been properly followed.

We found that policies and procedures were not always kept up to date. This caused difficulties particularly where the processes had changed, or the policies did not fit with the current environment. Also we found issues arose where there was no clear definition of roles and responsibilities, especially in the case of cross s. ice activities.

We also found there is scope for improving the wider understanding of related party transactions and conflicts of interest.

- **Performance monitoring**

In several audits we found that operational performance monitoring could be improved by the use of relevant metrics and ensuring performance is reported to and understood by relevant management levels.

We also found errors in some performance monitoring reports which is not conducive to efficient oversight.

# Internal Audit Quality Assurance

## External Assessment

It is a requirement of the Public Sector Internal Audit Standards (PSIAS) that an external assessment of the Internal Audit function is conducted every five years by a qualified and independent assessor from outside the organisation. Such an assessment was carried out in 2019-20 by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the conclusion from this examination was that the function **partially conforms**.

## Internal Assessment

Internal assessments comprise both ongoing reviews and periodic reviews. Reports of internal assessments are presented to the General Purposes Committee together with an action plan to address any areas for improvement.

PSIAS is based on the Global Internal Audit Standards. Revised Global Internal Audit Standards were issued in January 2024 with an implementation date of January 2025. Therefore we have undertaken an internal self-assessment against the revised Global Internal Audit Standards using a template designed by the Chartered Institute of Internal Auditors.

A summary of the results from our self- assessment is:

Domain	Assessment
Domain I: Purpose of Internal Auditing	Generally Conforms
Domain II: Ethics and Professionalism	Generally Conforms
Domain III: Governing the Internal Audit Function	Generally Conforms
Domain IV: Managing the Internal Audit Function	Partially Conforms
Domain v: Performing Internal Audit Services	Generally Conforms

In order to ensure continuous improvement and to specifically address areas of non or partial compliance, we have developed a Quality Assurance Improvement Plan (QAIP) – see **Appendix 5**. Progress against the QAIP will be reported to future meetings.

## Internal Audit Performance During 2023-24

The performance of the Internal Audit service has been measured during 2023-24 and is shown in the following table:

KPI/Quality Metric	Target	Actual
Audit plan to be delivered to draft report stage by 31 March	95%	100%

KPI/Quality Metric	Target	Actual
Days from end of fieldwork to issue of draft report	15 days	50 days
Days from receipt of management comments to issue of final report	10 days	23 days
Survey responses	80%	92%
Terms of reference reviewed and approved by the Head Internal Audit	100%	100%
Supervision of engagements	100%	100%
Draft report reviewed and approved by the Head of Internal Audit	100%	100%
Final report reviewed and approved by the Head of Internal Audit	100%	100%

There were a number of changes in the Internal Audit team during the year including a change to the shared service arrangements with the London Borough of Waltham Forest, the departure of the shared Head of Internal Audit and Risk Management, the appointment of the existing Deputy Head of Audit and Risk Management to the role of Head of Internal Audit, a reduction in the number of staff including the retirement of an experienced key member of the team. Additionally, we undertook audits in some complex areas which required additional time to frame in terms of reporting.

Turnaround times will be a key focus during 2024-25.

## Counter Fraud

### 2023-24 Counter Fraud Performance

The Counter Fraud performance during 2023-24 is summarised below:

Detected and Prevented Fraud Savings 2023-24 *		
Fraud Type	Detected (£)	Prevented (£)
Bank mandate fraud (attempt)	-	1,772,834
Council properties recovered (14 properties) **	-	588,000
Housing – Buy Back scheme	-	212,950
Right to Buy (1 case@ £127,900)	-	127,900

Purchase Cards (estimate)	90,500	-
Housing Benefit	41,326	-
Removal from Housing Register (4)***	-	12,960
AP1 Process (estimate)	3,500	-
Temporary Accommodation recoveries (1 case @ £2,500)	-	2,500
Council Tax Reduction Scheme & Discounts	2,098	-
Insurance	261	-
<b>Sub-totals</b>	<b>£137,685</b>	<b>£2,717,144</b>
<b>Total</b>	<b>£2,854,829</b>	

\* Includes overpayments identified or recovered, as well as potential future income and the estimated value of losses prevented by the detection and interception of fraud and improvement of controls.

\*\* The Notional Value attributed to recovery of a Council property is the amount of £42k per property as per the calculation published by the Tenancy Fraud Forum in April 2022; the figure takes into account the average annual cost of providing temporary accommodation for a family who could otherwise have occupied the recovered property, plus average investigation and legal costs. The Notional Value of a Temporary Accommodation recovery is based on the net annual cost to the Council of acquiring a property for use as temporary accommodation.

\*\*\* Based on Cabinet Office estimate of £3,240 per applicant removed (NFI Report 2022).

## Transparency Code Data

The Local Government Transparency Code requires us to publish annual data with regard to specific fraud-related activities. This is summarised below:

Transparency Code Data 2023-24	
Category	Value
Number of occasions that powers under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers have been used	12
Total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud	6 (absolute) 6 (FTE)
Total number (absolute and full time equivalent) of professionally accredited counter fraud specialists	5 (absolute) 5 (FTE)

## Transparency Code Data 2023-24

Category	Value
Total amount spent by the authority on the investigation and prosecution of fraud	£364k
Total number of fraud cases investigated	308

## National Fraud Initiative

During the year we took part in 2 National Fraud Initiative (NFI) pilot exercises:

- **Temporary accommodation pilot**

This exercise was designed to identify tenants in temporary accommodation who may no longer be residing at their allocated property.

The exercise utilised data supplied by a leading credit reference agency and by other Councils.

We were informed of 635 potential anomalies which the Temporary Accommodation team followed up with 176 visits. From these 3 properties were identified for recovery.

Follow up work on the potential anomalies is continuing during 2024-25.

- **Secondary employment pilot**

To further combat the threat of multiple working, we participated in a pilot data-matching exercise designed to identify any agency workers who may have additional, undeclared permanent or agency employment at other London Councils.

This pilot was conducted via the National Fraud Initiative's (NFI) London Fraud Hub.

1 contract was ended as a result of this initiative.

## Fraud prevention

During November 2023, the Counter Fraud team ran four online sessions to mark International Fraud Awareness Week. These sessions covered the following topics:

- **Internal Fraud:** including the threat of secondary employment and invoice fraud;

- **Data Protection and Fraud:** a joint presentation with the Council's Data Protection Officer covering requests for information and data breaches ;
- **Digital Security:** a joint presentation with Digital Services;
- **Insurance Fraud:** presented jointly with the Council's Insurance Team.

These sessions also promoted the Council's Whistleblowing Policy to encourage staff to raise concerns in confidence.

Annual Counter Fraud training was delivered to an audience of School Business Managers as part of a Financial Management Training package arranged by the Schools Personnel Service.

## **Whistleblowing cases**

During 2023-24, the Audit and Risk Management Service was advised of 2 referrals raised under the Whistleblowing Policy, which related to the same Service within the Council (2022-23: 0).

These referrals related to Code of Conduct breaches and both referrals were substantiated.

## **Awards**

Our Counter Fraud Apprentice won the Apprentice or Newcomer of the Year award at the 2024 Public Sector Counter Fraud Awards.

Additionally we, together with our former shared service partners Waltham Forest, were named winners of the Local Excellence Award at the same awards ceremony.

## Appendix 1: Detailed Analysis of 2023-24 Internal Audit Reviews

### Cross Cutting

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Dugdale Arts Centre - Capital Spend	In House	Complete	N/A – Management Letter	-	-	-	-	-
Direct Payments	In House	Complete	Limited	-	2	6	1	-
Freedom of Information Requests (Fol) and Subject Access Requests (SAR)	PwC	Cancelled		-	-	-	-	-
Supply Chain Risks	PwC	Complete	Reasonable	-	-	2	1	-
Application of the Smart Working Policy, PDRs and Internal Communications	In House	Complete	N/A – Advisory	-	-	-	-	-
Youth Participation Strategy	In House	Cancelled		-	-	-	-	-
Adult Social Care Budget Monitoring	In House	Complete	Reasonable	-	-	1	2	-
Mayor of the London Borough of Enfield Appeal Fund Accounts 2022/23	In House	Complete	N/A – Management Letter	-	-	-	-	-

## Environment & Communities

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Non-residential Licensing	In House	Cancelled		-	-	-	-	-
Selective Licensing of Privately Rented Residential Properties	In House	Complete	Reasonable	-	1	3	2	-
PFI Streetlighting Contract	PwC	Complete	Reasonable	-	-	2	3	-
Highways Inspections	In House	Complete	Reasonable	-	-	1	5	-
Climate Change	In House	Cancelled		-	-	-	-	-
Planning Enforcement	PwC	Cancelled		-	-	-	-	-

## Housing, Regeneration & Development

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Housing Repairs & Maintenance - Disrepairs	In House	Complete	Limited	-	2	-	-	-
Housing Conditions	In House	Complete	Limited	-	1	4	-	-
Council Housing Fire Safety	In House	Deferred		-	-	-	-	-
Housing Allocations	In House	Complete	Reasonable	-	-	3	2	-



## Local Authority Trading Companies

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Energetik - Billing Reconciliation Process	PwC	Cancelled		-	-	-	-	-
HGL - Temporary Accommodation Stock Transfer	In House	Deferred		-	-	-	-	-

## People

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Bus Service Operator's Grant	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Supporting Families - Q1	In House	Cancelled		-	-	-	-	-
Supporting Families - Q2	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Supporting Families - Q3	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Supporting Families - Q4	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Turnaround Programme 2022-2025	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Family Hubs and Start for Life programme - Grant Certification	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Unregulated Services for Adult Assisted Living	In House	Cancelled		-	-	-	-	-

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Post 16 Education	In House	Cancelled		-	-	-	-	-
Home Care Support	In House	Complete	Limited	-	1	2	1	-
PFI Contract Monitoring - Schools	PwC	Complete	Reasonable	-	-	2	1	-

## Resources

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Property Services and Commercial Leases	PwC	Complete	Substantial	-	-	1	1	1
Treasury Management	PwC	Complete	Reasonable	-	-	3	1	-
Adult Social Care Debt Collection	In House	Complete	Limited	-	2	6	2	-
Education Funding	In House	Complete	Limited	-	2	1	-	-
Cyber Security Strategy	PwC	Complete	Reasonable	-	-	2	2	-
Digital Maturity Assessment	PwC	Complete	N/A – Advisory	-	-	-	-	-
Facilities Management and Compliance	In House	Complete	Limited	-	1	2	-	-
Procurement Bill Readiness	In House	Cancelled		-	-	-	-	-
Purchase to Pay & Goods Receipt/Invoice Receipt (GRIR)	PwC	Complete	Substantial	-	-	-	1	-

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Process								

### Chief Executive's

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Insurance	PwC	Complete	Reasonable	-	-	3	5	-
Data Protection	PwC	Cancelled		-	-	-	-	-
Additional Payments	In House	Complete	Limited	-	2	1	-	-
Gender and Ethnicity Pay Gap Reporting	PwC	Cancelled		-	-	-	-	-

### Schools

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Orchardside School Grant Certification - Alternative Provision Specialist Taskforces Programme	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Highlands School - Schools Direct Grant certification	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Freezywater St Georges CE Primary School	In House	Complete	Limited	-	1	6	8	-

<b>Title</b>	<b>Audit Team</b>	<b>Audit Status</b>	<b>Assurance Level</b>	<b>Critical Risks</b>	<b>High Risks</b>	<b>Medium Risks</b>	<b>Low Risks</b>	<b>Advisory Risks</b>
Forty Hill CE Primary School	In House	Cancelled		-	-	-	-	-
Garfield Primary School	In House	Complete	Reasonable	-	-	6	10	1
Our Lady of Lourdes Catholic Primary School	In House	Complete	Reasonable	-	1	2	13	2
St John's CE Primary School	In House	Complete	Reasonable	-	-	6	9	1
Orchardside School	In House	Complete	Reasonable	-	1	3	9	5
Durants School	In House	Complete	Reasonable	-	-	2	6	1





## Appendix 2: Changes to the 2023-24 Plan





The Council's Internal Audit Plan is flexible to ensure that the audit resource available is focused on the key risk areas. Therefore, reviews have been removed or added to the Plan during the year. The changes have not impacted on the level of assurance that has been obtained over key risks across the Council. The table below sets out the key changes to the 2023-24 Internal Audit Plan.

Area	Audit	Change	Explanation
Cross Cutting	Freedom of Information Requests (Fol) and Subject Access Requests (SAR)	-1	Cancelled to align the audit plan to available resources.
Cross Cutting	Youth Participation Strategy	-1	Cancelled to align the audit plan to available resources.
Environment & Communities	Non-residential Licensing	-1	Cancelled to align the audit plan to available resources.
Environment & Communities	Climate Change	-1	Cancelled to align the audit plan to available resources
Environment & Communities	Planning Enforcement	-1	Cancelled to align the audit plan to available resources as we have undertaken several Planning audits in recent years.
Housing, Regeneration & Development	Council Housing Fire Safety	-1	Deferred to 2024-25 to take account of new supplier.
LATC	Energetik - Billing Reconciliation Process	-1	Cancelled at client request.
LATC	HGL - Temporary Accommodation Stock Transfer	-1	Cancelled due to fewer transfers being made than expected.
People	Supporting Families - Q1	-1	Cancelled at service request and included in the Q2 review.
People	Unregulated Services for Adult Assisted Living	-1	Cancelled at client request and replaced with an internal service review.
People	Post 16 Education	-1	This audit related to the introduction of T Levels. However, the Council has decided not to encourage schools to register as T Level providers due to the onerous requirements and increased costs
Resources	Procurement Bill Readiness	-1	Cancelled to align the audit plan to available resources
Chief Executive's	Data Protection	-1	Cancelled to align the audit plan to available resources
Chief Executive's	Gender and Ethnicity Pay Gap Reporting	-1	Cancelled to align the audit plan to available resources.
Schools	Forty Hill CE Primary School	-1	Cancelled to align the audit plan to available resources.

Area	Audit	Change	Explanation
Cross Cutting	Dugdale Arts Centre - Capital Spend	+1	Requested by the Chief Executive to confirm all appropriate decision making procedures were followed.
People	Family Hubs and Start for Life Programme	+1	Grant certification required
People	Turnaround Programme 2022-2025	+1	Grant certification required
People	Highlands School - Schools Direct Grant certification	+1	
	<b>TOTAL</b>	<b>-11</b>	

## Appendix 3: Assurance Levels and Risk Ratings

Level of assurance	
<b>Substantial</b> 	No significant improvements are required. There is a sound control environment with risks to key service objectives being well managed. Any deficiencies identified are not cause for major concern.
<b>Reasonable</b> 	Scope for improvement in existing arrangements has been identified and action is required to enhance the likelihood that business objectives will be achieved.
<b>Limited</b> 	The achievement of business objectives is threatened and action to improve the adequacy and effectiveness of the risk management, control, and governance arrangements is required. Failure to act may result in error, fraud, loss or reputational damage.
<b>No</b> 	There is a fundamental risk that business objectives will not be achieved, and urgent action is required to improve the control environment. Failure to act is likely to result in error, fraud, loss or reputational damage.

Risk rating	
<b>Critical</b> 	<p>Life threatening or multiple serious injuries or prolonged work place stress. Severe impact on morale &amp; service performance. Mass strike actions etc.</p> <p>Critical impact on the reputation or brand of the organisation which could threaten its future viability. Intense political and media scrutiny i.e. front-page headlines, TV. Possible criminal, or high profile, civil action against the Council, members, or officers.</p> <p>Cessation of core activities, Strategies not consistent with government's agenda, trends show service is degraded. Failure of major Projects – elected Members &amp; SMBs are required to intervene</p> <p>Major financial loss – Significant, material increase on project budget/cost. Statutory intervention triggered. Impact the whole Council; Critical breach in laws and regulations that could result in material fines or consequences</p>
<b>High</b> 	<p>Serious injuries or stressful experience requiring medical many workdays lost. Major impact on morale &amp; performance of staff. Significant impact on the reputation or brand of the organisation; Scrutiny required by external agencies, Audit Commission etc. Unfavourable external media coverage. Noticeable impact on public opinion</p> <p>Significant disruption of core activities. Key targets missed; some services compromised. Management action required to overcome med – term difficulties High financial loss</p> <p>Significant increase on project budget/cost. Service budgets exceeded. Significant breach in laws and regulations resulting in significant fines and consequences</p>
<b>Medium</b> 	<p>Injuries or stress level requiring some medical treatment, potentially some workdays lost. Some impact on morale &amp; performance of staff.</p> <p>Moderate impact on the reputation or brand of the organisation; Scrutiny required by internal committees or internal audit to prevent escalation. Probable limited unfavourable media coverage.</p> <p>Significant short-term disruption of non-core activities. Standing Orders occasionally not complied with, or services do not fully meet needs. Service action will be required.</p> <p>Medium financial loss - small increase on project budget/cost. Handled within the team.</p> <p>Moderate breach in laws and regulations resulting in fines and consequences</p>
<b>Low</b> 	<p>Minor injuries or stress with no workdays lost or minimal medical treatment. No impact on staff morale</p> <p>Internal Review, unlikely to have impact on the corporate image. Minor impact on the reputation of the organisation. Minor errors in systems/operations or processes requiring action or minor delay without impact on overall schedule. Handled within normal day to day routines. Minimal financial loss - minimal effect on project budget/cost. Minor breach in laws and regulations with limited consequence.</p>

## Appendix 4: Limitations and responsibilities

### Limitations inherent to the internal auditor's work

Our work has been performed subject to the limitations outlined below.

- **Opinion**

The opinion is based solely on the work undertaken as part of the agreed internal audit plan. There might be weaknesses in the system of internal control that we are not aware of because they did not form part of our programme of work, were excluded from the scope of individual internal audit assignments or were not brought to our attention. Therefore, management and the General Purposes Committee should be aware that our opinion may have differed if our programme of work or scope for individual reviews was extended or other relevant matters were brought to our attention.

- **Internal control**

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

- **Future periods**

Our assessment of controls relating to Enfield Council is for the period 1 April 2022 to 31 March 2023. Historic evaluation of effectiveness may not be relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- The degree of compliance with policies and procedures may deteriorate

- **Responsibilities of management and internal auditors**

It is management's responsibility to develop and maintain sound systems of risk management, internal control, and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and our examinations as internal auditors should not be relied upon to disclose all fraud, defalcations or other irregularities which may exist.



## Appendix 5: Internal Audit Quality Assurance Improvement Plan

Action	Target Date
<b>Domain II – Ethics and Professionalism</b>	
Review Internal Audit Charter in view of the new standards	31 March 2025
Internal Audit Handbook to be reviewed to include: <ul style="list-style-type: none"> <li>• Explicit policies and procedures for identifying potential impairments and any necessary safeguards</li> <li>• Explicit procedures for disclosing objectivity impairments</li> <li>• Methodologies for when impairment is suspected or identified (Domain III)</li> <li>• Criteria for identifying issues to be brought to the attention of the General Purposes Committee and Assurance Board and a process for communicating or escalating such issues</li> <li>• References to the standards the areas are addressing (Domain IV)</li> <li>• Areas around managing stakeholder expectations to be expanded (Domain IV)</li> <li>• Reflect methodologies for handling errors and omissions (Domain IV)</li> <li>• Checklist for workpaper reviews (Domain IV)</li> </ul>	30 September 2024
Training: <ul style="list-style-type: none"> <li>• Implement training plans for all internal auditors (also Domain IV)</li> <li>• Gap analysis of internal auditors' competencies (Domain IV)</li> <li>• Include ethics training as part of team meetings</li> <li>• Include training on the Council's governance, risk management and control processes (Domain IV)</li> <li>• Internal audit methodologies and the internal audit handbook</li> </ul>	31 March 2025
Revise client satisfaction survey to: <ul style="list-style-type: none"> <li>• Gain feedback on objectivity</li> <li>• Gain feedback on honesty and professional courage</li> </ul>	31 July 2024
Feedback:	31 October 2024

Action	Target Date
<ul style="list-style-type: none"> <li>Devise alternative ways of receiving feedback especially from senior management</li> <li>Consider interviews and group workshops to solicit input from internal stakeholders (Domain IV)</li> </ul>	
Review annual ethics declarations to ensure they cover objectivity, honesty and professional courage	31 July 2024
Put arrangements in place so that areas within Head of Internal Audit's control can be audited independently	31 October 2024
External review: <ul style="list-style-type: none"> <li>Arrange external review for 2024-25 (Q3-Q4)</li> <li>Obtain documentation of the assessor's Certified Internal Auditor credentials (Domain III)</li> </ul>	31 October 2024
<b>Domain III – Governing the Internal Audit Function</b>	
Training for General Purposes Committee and Assurance Board on new standards especially in the Internal Audit function governance	30 September 2024
Assurance map to be developed (also Domain IV)	2025-26
Draw up a matrix of information to be communicated to General Purposes Committee and Assurance Board	30 September 2024
Head of Internal Audit to document participation in professional associations	30 September 2024
Implement organisational restructure	31 December 2024
Develop an internal audit cost benefit analysis	2025-26
Develop an overview resourcing strategy	2025-26
Include senior management in the internal audit function's objectives discussions and annual performance assessment	31 March 2025
<b>Domain IV – Managing the Internal Audit Function</b>	
Collate Council, Cabinet, Committee and Assurance Board charters	31 March 2025
Formal assessment of laws, regulations and other requirements related to governance, risk management and control processes	31 March 2025

Action	Target Date
Hold regular meetings with governance and risk functions in place to keep up to date with developments	31 March 2025
Formally review business strategies and business plans	31 March 2025
Work with the Risk Management team to develop a risk and control matrix	2025-26
<b>Internal Audit Strategy</b> <ul style="list-style-type: none"> <li>Develop an internal audit strategy</li> <li>Discuss internal audit strategy with General Purposes Committee and Assurance Board</li> <li>Devise audit methodologies for implementing and monitoring the internal audit strategy</li> <li>Document periodic self assessments or other reviews on the progress on initiatives identified in the internal audit strategy</li> </ul>	31 March 2025
<b>Quality reviews (also Domain V):</b> <ul style="list-style-type: none"> <li>Set up and carry out quality reviews</li> <li>Document results of reviews</li> <li>Develop checklist for workpaper reviews</li> </ul>	31 October 2024
<b>Communications:</b> <ul style="list-style-type: none"> <li>Communications plan to be developed and executed</li> <li>Consider wider distribution of internal audit plan; update intranet pages and undertake wider communications include lunch and learns</li> </ul>	31 March 2024
<b>Domain V- Performing Internal Audit Services</b>	
Develop methodology for differences of opinion in audit results	30 September 2024
Review scoping checklist to ensure points raised in Domain V are included	30 September 2024
Develop workpaper showing the basis for the overall engagement conclusion	30 September 2024

## Appendix 6: 2023-24 Limited Assurance Audits Not Yet Reported

Audit	Assurance	Detail
Additional Payments	<b>Limited</b>	<p>The audit objectives were to ensure that:</p> <ul style="list-style-type: none"> <li>• policies and procedures were up to date and approved;</li> <li>• additional payments were approved in accordance with Council policy and that appropriate documentation was retained to support each payment;</li> <li>• appropriate independent checks were carried out to confirm the accuracy of each payment;</li> <li>• budget holders carry out regular monitoring to confirm that only authorised and accurate payments were made;</li> <li>• regular and prompt management information is produced and reported to key stakeholders.</li> </ul> <p>During the audit, we noted the following areas of good practice:</p> <ul style="list-style-type: none"> <li>• additional payments were processed promptly;</li> <li>• supporting documentation for manual claims was retained and available for review;</li> <li>• Human Resources provide regular reports to specified Directors and Heads of Service on the amounts spent on overtime, additional hours and honorariums.</li> </ul> <p>However, during this audit we also identified some areas for improvement classified as <b>2 high risk</b> and <b>1 medium risk</b> findings.</p> <p>The following <b>high risk</b> findings were identified:</p> <ol style="list-style-type: none"> <li>1. From a sample of 22 overtime, 3 temporary grade, 5 additional hours and 10 honoraria payments, we drew the following conclusions: <ul style="list-style-type: none"> <li>• independent and robust checks were not always performed prior to submitting claims for processing;</li> </ul> </li> </ol>

Audit	Assurance	Detail
		<ul style="list-style-type: none"> <li>• managers are not clear on the classification of the various types of additional payments;</li> <li>• as no formal documented procedures for recovering overpayments of additional payments are in place, this has led to inconsistent approaches to recovery and/ or non-recovery.</li> <li>• the salary monitoring process is not robust.</li> </ul> <p>2. During sample testing we found that manual claims were not always authorised and submitted to Payroll by approvers but instead claims were forwarded to Payroll by administrators. We were advised that the current practice is for an administrator to collate the information and to copy the authorising manager into the email that is sent to Payroll. However, this is not a control as the manager may not even read the email. Also in this process, managers are not taking explicit responsibility for the payments made.</p> <p>In 1 (12%) case from a sample of 8 manual claims, the authorising manager was not included in the email; yet Payroll processed the payment.</p> <p>The following <b>medium risk</b> finding was identified:</p> <p>1. the Overtime and Honorarium/Acting Up policies did not include sufficient guidance on the following:</p> <ul style="list-style-type: none"> <li>• the definition of the various additional payments;</li> <li>• budget holders' responsibility for monitoring salaries (including additional payments);</li> <li>• the process and responsibilities for recovering overpayments.</li> </ul> <p>We also noted that the policies were either not dated and/or were out of date; did not include a review period; and were not version controlled.</p>
Housing Repairs &	<b>Limited</b>	The audit objectives were to ensure that:

Audit	Assurance	Detail
Maintenance - Disrepairs		<ul style="list-style-type: none"> <li>• a clear framework is in place for dealing with housing disrepairs;</li> <li>• potential risks regarding disrepairs have been identified and effective action plans are in place to mitigate the identified risks;</li> <li>• an effective process is in place to record, monitor and address identified disrepair issues in a consistent manner;</li> <li>• effective measures are in place to proactively discourage residents from making unnecessary disrepair claims and reasonable settlements are negotiated to limit the risk of excessive litigation costs.</li> </ul> <p>During the audit, we noted the following areas of good practice:</p> <ul style="list-style-type: none"> <li>• tenancy/leasehold agreements were reviewed to ensure the Council is responsible for the maintenance of the property;</li> <li>• expert building surveyors were engaged to carry out inspections of properties to ascertain why claims had arisen;</li> <li>• tenants' representation by solicitors is requested in compliance with the Pre-Action Protocol for Housing Conditions Claims (England);</li> <li>• consent of tenants was requested prior to exchange of information with solicitors;</li> <li>• a formal acknowledgement letter is sent to tenants' solicitors upon receipt of claims.</li> </ul> <p>During the audit we identified some areas for improvement classified as <b>2 high risk</b> and <b>1 low risk</b> findings.</p> <p>The delay in resolving reported repair issues, the absence of an adequate audit trail for repair works undertaken coupled with non-compliance with the Pre-Action Protocols for Housing Conditions Claims (England) have significantly contributed to the findings in this report.</p>

Audit	Assurance	Detail
		<p>The following <b>high risk</b> findings were identified:</p> <ol style="list-style-type: none"> <li>Our sample testing of 25 disrepair claims found the following exceptions: <ul style="list-style-type: none"> <li>the repair works had not been adequately resolved in a timely manner despite tenants' complaints which led to disrepair claims;</li> <li>it took Legal Services an average of 18 days from receiving the disrepair claims letter to allocating the claim to a lawyer. This meant the 20-working day timescale as required by the Pre-Action Protocols for Housing Conditions Claims (England) for the exchange of information with tenants' solicitors was not always met. Non-compliance with the protocols means it is more likely that tenants' lawyers will take the case to court with resulting litigation costs;</li> <li>there are no performance measures in place to monitor compliance with the Pre-Action Protocols for Housing Conditions Claims (England);</li> <li>information in the standard Disrepair Report, submitted to tenants' solicitors as part of the disclosure documentation, is not recorded consistently and does not provide an adequate audit trail to demonstrate that the necessary repair works had been undertaken.</li> </ul> <p>Also, we found that the HRA and Housing Risk Register was last reviewed in December 2022 with some risks on the register not reviewed since January 2021. In addition, there are no agreed timescales to ensure timely implementation of the action plans discussed at the monthly Enfield Repairs Direct (ERD) Board meetings.</p> </li> <li>The Council uses a third party expert to inspect tenants' properties regarding disrepair claims but there is no formal contract in place between the Council and the third party. Terms and conditions have not been formally agreed and arrangements for the sharing and use of tenants' information has not been documented. Additionally, no contract is in place with a repairs contractor.</li> </ol>

Audit	Assurance	Detail
		<p><b>One low risk</b> finding was also identified.</p>
Home Care Support	<b>Limited</b>	<p>The audit objectives were to ensure that:</p> <ul style="list-style-type: none"> <li>• appropriate policies and procedures are in place for the delivery of the home care support service;</li> <li>• new and amended home care packages are set up promptly and are authorised; a robust process for engaging the services of new home care providers is in place; and there is a robust review process for established providers;</li> <li>• payments to home care providers are processed promptly;</li> <li>• there are regular reconciliations of home care payments between Care First and SAP;</li> <li>• exception reporting is regularly produced to confirm appropriate oversight of service performance.</li> </ul> <p>During the audit, we noted the following areas of good practice:</p> <ul style="list-style-type: none"> <li>• the creation and authorisation of new home care support packages were appropriately authorised and uploaded in a timely manner by the Brokerage Team;</li> <li>• amendments to home care packages and authorisation of these was carried out in a timely manner by the Operational Support Team;</li> <li>• invoices for home care providers were processed and were paid on time;</li> <li>• regular management reports are produced and shared at the Adult Social Care Performance Board.</li> </ul> <p>However during this audit we also identified some areas for improvement classified as <b>1 high risk, 2</b></p>



Audit	Assurance	Detail
		<p><b>medium risks</b> and <b>1 low risk</b> finding.</p> <p>The following <b>high risk</b> findings were identified:</p> <ol style="list-style-type: none"> <li>1. Our sample testing of 10 home care provider annual quality assurance checks identified the following exceptions: <ul style="list-style-type: none"> <li>• in 7 (70%) cases the standard financial monitoring tool was not completed in full either by the provider and/or the Council's Quality Assurance officers;</li> <li>• in all (100%) cases the action plan was not completed in full. For example, target dates were not specified for each action; a summary of the corrective action made by the provider was not recorded; action points were not risk rated; the date follow up information was due to be returned was not recorded;</li> <li>• in 9 (90%) cases there was no documentation to confirm that feedback on visits with home care providers and/or service users was provided to the home care provider;</li> <li>• in 1 (10%) case the monitoring tool risk scoring was not completed and there was no action plan in place;</li> <li>• in one (10%) case a safeguarding concern was raised by the provider to the Quality Assurance officer. The Provider Concerns Team informed us they don't have any records of the safeguarding concern raised, so we are unable to confirm that the issue has been resolved;</li> <li>• in 7 (70%) cases there was no information to confirm that an independent review had been carried out by a second officer.</li> </ul> </li> </ol> <p>The following <b>medium risk</b> findings were identified:</p> <ol style="list-style-type: none"> <li>1. Our sample testing of 3 home care providers introductory quality assurance checks identified the</li> </ol>

Audit	Assurance	Detail
		<p>following exceptions:</p> <ul style="list-style-type: none"> <li>• in all (100%) cases it was difficult to cross reference the documents provided to the completed checklist.</li> </ul> <p>A review of the six month follow up visit for the above providers found:</p> <ul style="list-style-type: none"> <li>• in 1 (33%) case, the visit was carried out 6 months late;</li> <li>• in 2 (66%) cases we could not confirm which checks had been carried out during the visit;</li> <li>• in all cases (100%) there was insufficient information to support the outcome of the visit.</li> </ul> <p>2. Reconciliations of home care payments between SAP and Care First have not been carried out since September 2023. We were informed that the reconciliation process is currently under review.</p> <p>A further <b>1</b> low risk finding was also identified.</p>
Facilities Management & Compliance	<b>Limited</b>	<p>The audit objectives were to ensure:</p> <ul style="list-style-type: none"> <li>• appropriate policies and procedures are in place for the facilities management of the Council's corporate buildings;</li> <li>• an accurate and complete record of the Council's corporate buildings which includes compliance and maintenance requirements is in place;</li> <li>• the Council has an appropriate long term maintenance strategy, a planned preventative maintenance regime and reactive maintenance programme;</li> <li>• the Council's corporate buildings are maintained in line with legislative requirements as an employer and corporate landlord;</li> </ul>

Audit	Assurance	Detail
		<ul style="list-style-type: none"> <li>regular and timely maintenance management information is produced and shared with management and relevant stakeholders.</li> </ul> <p>During the audit, we noted the following areas of good practice:</p> <ul style="list-style-type: none"> <li>good record keeping for reactive maintenance checks;</li> <li>appropriate management information around statutory checks and reactive repairs is produced and shared with key stakeholders.</li> </ul> <p>However during this audit we also identified some areas for improvement classified as <b>1 high risk</b> and <b>2 medium risk</b> findings.</p> <p>The following <b>high risk</b> finding was identified:</p> <p>The Council has engaged a third party supplier principally to carry out statutory compliance and maintenance under the Council's direction. From a sample of 7 premises across the Council's property portfolio that Facilities Management are responsible for, the following exceptions were identified:</p> <ul style="list-style-type: none"> <li>in all 7 premises, we found that several statutory checks had not been completed on time. Of the 71 checks reviewed 33 (46%) were late. The late checks, which included fire alarm testing, fire extinguisher maintenance, lift service and maintenance and gas tightness and purging, were between 2 and 18 weeks late;</li> <li>5 out of 9 (56%) defects identified during a statutory check were still outstanding at the time of the audit. These defects were identified between May 2023 and February 2024;</li> <li>in 1 further case we were unable to confirm that the defect had been rectified as the appropriate records could not be located; in 1 case a copy of the fire alarm servicing certificate had not been retained on file.</li> </ul> <p>We understand that the Council has used key performance indicator reports and the service credit mechanism to manage the performance of the third party supplier.</p>

Audit	Assurance	Detail
		<p>The following <b>medium risk</b> findings were identified:</p> <ol style="list-style-type: none"><li data-bbox="714 304 2018 472">1. From a sample of 10 reactive repairs, in 4 (40%) cases the repairs were not completed within the required timescale. We also noted that the priority rating for each work order did not always align with the expected target completion date. Although we understand that checks are carried out to ensure contractors complete works to a satisfactory standard, we were not provided with documentation to support this.</li><li data-bbox="714 512 1895 574">2. There are no internal policies and procedures for the day-to-day delivery of the facilities management service.</li></ol>