

## London Borough of Enfield

### General Purposes Committee

4 March 2021

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<b>Subject:</b>	<b>Audit and Risk Management Service Progress Update</b>
<b>Cabinet Member:</b>	<b>N/A</b>
<b>Executive Director:</b>	<b>Ian Davis, Chief Executive</b>
<b>Key Decision:</b>	<b>N/A</b>

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### Purpose of Report

1. The Audit and Risk Management Service Progress Update Report (**Annex A**) summarises:
  - the results of the work that the Audit and Risk Management Service has undertaken during the period 1 April 2020 to 2 February 2021
  - the continued work of the Head of Internal Audit and Risk Management, in collaboration with the internal Assurance Board, to target limited audit resources at the highest priority Corporate and Schools' services
2. Progress has been made in delivering the 2020/21 Internal Audit plan, with 94% of reviews having commenced. Of these, 45% have been finalised. This compares to 98% commencement and 42% completion in February 2020.
3. Whilst we continue to make progress in delivering the plan, it should be noted that a risk remains of not having sufficient assurance work on which to base the annual Head of Internal Audit opinion. This is being reported to, and monitored by, the Assurance Board. We will continue to update the Committee on this risk. In view of the current progress rate, we are optimistic this risk won't materialise.
4. Since the audit plan was agreed by the General Purposes Committee in July 2020, 21 audits have been cancelled and six further audits have been added to the plan.
5. 22 audits have been completed since the start of the year. 13 were grant certifications or management letters and therefore an assurance opinion was not given. Of the nine remaining audits, one was given *Substantial* assurance, four *Reasonable* assurance, and four *Limited* assurance.
6. With the support of the Assurance Board, there has been a substantial improvement in the implementation of agreed actions over recent months. Tracking of agreed actions arising from internal audit work has confirmed that

as at 2 February 2021, the implementation rate for high risk actions (on a 12-month rolling basis) is 78% and for medium risk actions is 71%. A summary of overdue high risk and medium risk audit actions at 2 February 2021 is also presented.

7. Following on from communications sent out to all senior staff at the end of 2020, a large number of risk registers were received from Directors and Services. Further analysis of the risk registers will be undertaken and will be presented to the General Purposes Committee in due course.
8. The report also includes the latest performance metrics for the Insurance Team at 2 February 2021, together with details of significant insurance claims, current abuse claims and key litigated successes. Due to Covid-19, most litigation has come to a standstill this year. With the further lockdown in January 2021, we are not expecting courts to re-open until Spring 2021 and therefore there will be a delay in cases being heard at court.
9. The Council has not received any Covid-19 related claims. We understand that some claims have been made against care home providers, but we are currently unaware of any claims being made by other local authorities.
10. We are currently in the process of renewing all the Council's insurance policies for the policy year April 2021 to March 2022. Generally, we are expecting insurers to impose premium increases and restricted cover in light of Covid-19.

## **Proposal**

11. The General Purposes Committee is requested to:

- note the work completed by the Audit and Risk Management Service during the period 1 April 2020 to 2 February 2021 and the key themes and outcomes arising from this work
- provide feedback on the contents of this report

## **Reason for Proposal**

12. In line with the Council's Internal Audit Charter which is based on the requirements of the Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit and Risk Management has a responsibility to regularly update the General Purposes Committee on the work of the Audit and Risk Management Service through periodic and annual reports.

## **Relevance to the Council's Plan**

### **Good Homes in Well-Connected Neighbourhoods**

13. An effective Audit and Risk Management Service helps to provide assurance over any risks that might adversely affect the delivery of good homes in well-connected neighbourhoods.

## **Safe, Healthy and Confident Communities**

14. An effective Audit and Risk Management Service is an essential management tool which will help the Council achieve its objectives to sustain safe, healthy and confident communities.

## **An Economy that Works for Everyone**

15. An effective Audit and Risk Management Service will help the Council achieve its objectives in building a local economy that works for everyone.

## **Background**

16. In line with the Council's Internal Audit Charter which is based on the requirements of the Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit and Risk Management has a responsibility to regularly update the General Purposes Committee on the work of the Audit and Risk Management Service through periodic and annual reports.
17. These reports should include details of audit activities with significant findings along with any relevant recommendations. Periodic information on the status of the annual audit plan should also be included.
18. The Internal Audit Plan for 2020/21 was submitted to and agreed by the General Purposes Committee on 23 July 2020.
19. This report summarises the work completed by the Audit and Risk Management Service between 1 April 2020 and 2 February 2021.

## **Main Considerations for the Council**

20. Any large complex organisation needs to have a well-established and systematic risk management framework in place to identify and mitigate risks it may face.
21. The Audit and Risk Management Service supports management in the identification and mitigation of risks as part of its work.

## **Safeguarding Implications**

22. There are no safeguarding implications arising directly from this update from the Audit and Risk Management Service.

## **Public Health Implications**

23. Whilst the risk registers are produced to identify risks to Public Health (among other issues) and enable preventative action to be undertaken, there are no Public Health implications arising directly from this update from the Audit and Risk Management Service.

## **Equalities Impact of the Proposal**

24. Following the Completion of the Corporate Equalities Impact Assessment initial screening, this report does not have an Equalities impact.
25. An Equalities audit was carried out in 2019/20 and the Audit and Risk Management Service continues to monitor the implementation of actions agreed at that time. Appendix B to the Audit and Risk Management Progress Update shows the high risk actions from the 2019/20 audit that have yet to be implemented.

## **Environmental and Climate Change Considerations**

26. There are no environmental and Climate Change considerations arising directly from this update from the Audit and Risk Management Service. However, Climate Change has been identified in the 2020/21 Audit Plan, which recognises the risk posed and the priority that climate action is now being given within the Council.

## **Risks that may arise if the proposed decision and related work is not taken**

27. Any large complex organisation needs to have a well-established and systematic risk management framework in place to identify and mitigate risks it may face.
28. The Audit and Risk Management Service supports management in the identification and mitigation of risks as part of its work and therefore, if this work is not carried out, reviewed and followed up, the Council faces the risk of legal, financial and reputational loss.

## **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

29. N/A

## **Financial Implications**

30. Section 151 of the Local Government Act 1972 requires that every local authority in England and Wales should “make arrangements for the proper administration of their financial affairs”. The Chief Finance Officer (Section 151 Officer) in a local authority must lead the promotion and delivery, by the whole authority, of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively. The role of the Section 151 includes ensuring that the systems and processes for financial administration, financial control and protection of the authority’s resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice. The Accounts and Audit (England) Regulations 2015, requires that a ‘relevant body shall maintain an adequate and effective system of internal audit of its accounting records and its system of internal control’.

31. The role of audit supports this by undertaking a review of the controls in place, the Internal Audit plan sets out in partnership to achieve this by:
32. Ensuring that the authority puts in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval processes.
33. Ensuring that these controls are an integral part of the authority's underlying framework of corporate governance and that they are reflected in its local code.
34. In this context, the Internal Audit plan is developed in partnership with the wider organisation, seeking to focus on areas of the greatest risk in order to ensure that the appropriate controls are in place and where controls are found to be inadequate plans to address these are implemented.

### **Legal Implications**

35. The Council's chief finance officer (the 'Section 151 officer' – section 151 Local Government Act 1972) has statutory status and is responsible for financial administration. The chief finance officer is also under a statutory duty to issue a formal report if s/he believes that the Council is unable to set or maintain a balanced budget (the 'section 114 report' (section 114 Local Government Finance Act 1988).
36. The Accounts and Audit Regulations 2015 (the '2015 Regulations') places an obligation on local authorities to maintain a system of internal audit whereby it:
  - (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
  - (b) ensures that the financial and operational management of the authority is effective; and
  - (c) includes effective arrangements for the management of risk.
37. The internal audit service must be effective in order to evaluate the effectiveness of its risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards or guidance.
38. Each financial year the council must conduct a review of the effectiveness of the system of internal control required by regulation and prepare an Annual Governance Statement.
39. This report addresses the statutory obligations for local audit processes in compliance with the 2015 Regulations.

### **Workforce Implications**

40. There are no workforce implications arising directly from this update from the Audit and Risk Management Service.

## **Property Implications**

41. There are no property implications arising directly from this update from the Audit and Risk Management Service

## **Other Implications**

42. N/A

## **Options Considered**

43. Given the requirements of the Public Sector Internal Audit Standards, no other options were considered.

## **Conclusions**

44. The General Purposes Committee is requested to:

- note the work completed by the Audit and Risk Management Service during the period 1 April 2020 to 2 February 2021 and the key themes and outcomes arising from this work
- provide feedback on the contents of this report

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Date of report: 24 February 2021

## **Appendices**

Annex A: Audit and Risk Management Service Progress Update

## **Background Papers**

None



**Audit and Risk Management Service  
Progress Update  
February 2021**

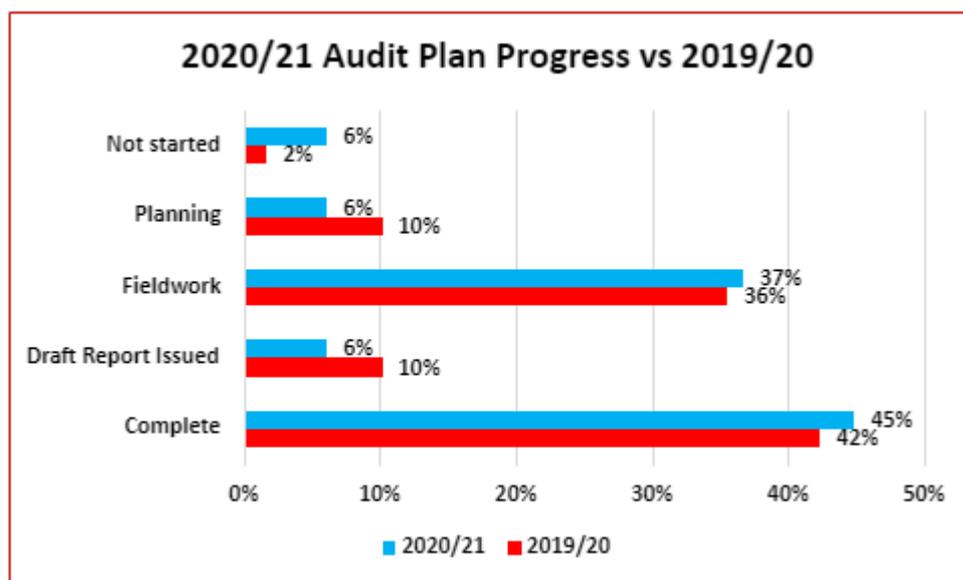
## Internal Audit

During the period 1 April 2020 to 2 February 2021, the Internal Audit team has commenced 46 assignments (94% of the current plan) of which 22 (45%) have been completed. For the same period in 2019, 58 audits (98%) had commenced and 25 (42%) had been completed.

The three audits not started for 2020/21 are all grant certifications, which are not yet due.

The following chart summarises the 2020/21 progress compared to 2019/20:

**Chart 1: 2020/21 Internal Audit Progress vs 2019/20**



Due to the impacts of Covid-19, the audit plan was started later this year than in 2019/20. The time was spent finalising 2019/20 audits, updating our schools' work programme and undertaking training and, when possible, planning 2020/21 audits.

Whilst we continue to make progress in delivering the plan, it should be noted that a risk remains of not having sufficient assurance work on which to base the annual Head of Internal Audit opinion. This is being reported to, and monitored by, the Assurance Board and we will continue to update the Committee on this risk. In view of the current rate of progress, we are optimistic that this risk won't materialise.

### Changes to the 2020/21 Internal Audit Plan

Since the internal audit plan was approved by the General Purposes Committee in July 2020, 21 audits have been cancelled and six audits have been added.

The cancelled audits are:

**Table 1: Cancelled Audits**

<b>Department</b>	<b>Audit</b>	<b>Reason for Cancellation</b>
Cross Cutting	Procurement Social Value	Defer to 2021/22. Agreed at Assurance Board 6 <sup>th</sup> November 2020.
Cross Cutting	Organisational Development	Defer to 2021/22. Agreed at Assurance Board 6 <sup>th</sup> November 2020.
Chief Executive	Energetik	Defer to 2021/22. Agreed at Assurance Board 6 <sup>th</sup> November 2020.
Chief Executive	Members' Ethics	Defer to 2021/22. Agreed at Assurance Board 6 <sup>th</sup> November 2020.
Resources	Web content Accessibility Guidelines 2.1 (WCAG 2.1)	Defer to 2021/22. Agreed at Assurance Board 6 <sup>th</sup> November 2020.
Resources	Digitalisation	Defer to 2021/22. Agreed at Assurance Board 6 <sup>th</sup> November 2020.
Resources	Local Authority Test and Trace Support Grant	No longer a requirement for the grant to be audited
People	Disproportionality in Out of Court Disposals	Defer to 2021/22. Agreed at Assurance Board 6 <sup>th</sup> November 2020.
People	St Paul's CE Primary School	Defer to 2021/22. Agreed at Assurance Board 6 <sup>th</sup> November 2020.
People	St Ignatius College	Defer to 2021/22. Agreed at Assurance Board 6 <sup>th</sup> November 2020.
People	Bush Hill Park Primary School	Defer to 2021/22. Agreed at Assurance Board 6 <sup>th</sup> November 2020.
People	Troubled Family Grants - 3 x monthly returns	Agreed with management to merge monthly returns
Place	Capital Works and Building Control	Agreed with management to defer to 2021/22. Interim assurance will be presented to the Assurance Board during 2020/21.
Place	Housing Compliance - Safety Checks and Management of Lift Maintenance	Defer to 2021/22. Agreed at Assurance Board 6 <sup>th</sup> November 2020.

Department	Audit	Reason for Cancellation
		2020.
Place	Meridian Water – Contract Management	Defer to 2021/22. Agreed at Assurance Board 6 <sup>th</sup> November 2020.
Place	Housing repairs and maintenance	Defer to 2021/22. Agreed at Assurance Board 6 <sup>th</sup> November 2020.
Place	Local Transport Capital Funding	No longer a requirement for the grant to be audited
Place	Community Infrastructure Levy (CIL)	Agreed with management to defer to 2021/22
LATC	HGL – Lettings Agency	Defer to 2021/22. Agreed at Assurance Board 6 <sup>th</sup> November 2020.

The additional audits are:

**Table 2: Additional Audits**

Department	Audit
Cross Cutting	Insurance Request Process
Resources	Community Testing Grant Certification
Place	Planning Enforcement
Resources	Enfield Stands Together
Resources	Consultants Payments Review
People	Enfield County School for Girls – Schools Direct Grant Certification

A revised version of the audit plan is attached at **Appendix A**.

### Completed Audits

22 audits have been completed so far this year and these are summarised below:

**Table 3: Completed Audits at 2 February 2021**

Department	Title	Assurance Level
Resources	Treasury Management	<b>LIMITED</b>
Cross Cutting	Schools Financial Monitoring	<b>LIMITED</b>
People	Unregulated Placements	<b>LIMITED</b>
People	Mental Health – AMHP Service	<b>LIMITED</b>
Resources	Council Tax	<b>REASONABLE</b>
People - Schools	Oaktree School	<b>REASONABLE</b>
People - Schools	Starks Field Primary School	<b>REASONABLE</b>

Department	Title	Assurance Level
Resources	National Non-Domestic Rates (NNDR)	<b>REASONABLE</b>
LATC	HGL – Property Services Purchasing	<b>SUBSTANTIAL</b>
Cross Cutting	Adult Social Care/Financial Assessments - Follow Up	N/A – Management Letter
Chief Executive's	Mayor's Accounts	N/A – Management Letter
Place	BEGIN Grant	N/A- Grant Certification
Place	Bus Service Operators Grant	N/A- Grant Certification
People	Troubled Families Grant - June	N/A – Grant Certification
People	Troubled Families Grant - July	N/A – Grant Certification
People	Troubled Families Grant - September	N/A – Grant Certification
People	Troubled Families Grant - October	N/A – Grant Certification
People	Troubled Families Grant - November	N/A – Grant Certification
Resources	Community Testing Grant Certification	N/A – Grant Certification
Resources	Enfield Stands Together – Just Giving	N/A – Management Letter
Resources	IT Software Procurement	N/A – Management Letter
Resources	Consultants Payments Review	N/A – Management Letter

Two audits with a *Limited* assurance opinion have been issued since the last meeting. The following summaries from the audit reports briefly explain the reasoning behind the *Limited* assurance opinions:

## Treasury Management

This review identified 1 high risk, 5 medium risk and 2 low risk findings.

Areas of good practice identified in the audit included:

- an up to date Treasury Management Strategy is in place which has been approved by Cabinet;
- forecasting the financial position of the Council and identifying borrowing needs is performed;
- monitoring of loan repayments occurs on an ongoing basis;
- interest accrued on investments is clearly recorded and monitored on the team's systems.

The following high risk finding was identified:

- CHAPS and BACS Process – Although controls are in place to ensure there is independent review and approval of payments, there is still scope to tighten up the approvals process.

The following medium risk findings were identified:

- Lack of Independence Forms – Secondary Employment and Business Interests declarations are not completed by officers in the Treasury Management team.
- Incomplete Daily Cash Flow Forecasting Sheets – The Finance Manager’s signature was missing on nine out of a sample of 20 (45%) of the daily cashflow forecasting sheets.
- A Lack of Evidence Showing Monitoring of the Team’s Performance – There is a lack of evidence of discussions around performance and key performance indicators (KPIs) within the team.
- Incomplete Policies and Procedures – The Treasury Management Practices are not reviewed and approved annually and there is no clear structural chart defining roles and responsibilities of all officers involved in the Treasury Management function.
- Borrowing Oversight – The Treasury Management team facilitates borrowing on behalf of other Departments and trading companies including tracking when the sum has been deposited into HSBC and monitoring repayments. The team is not involved at the initial stages of the borrowing process, including the application for the loan.

A further two low risk findings were also identified.

### **Schools Financial Monitoring**

This review identified 1 high risk and 4 medium risk findings.

Maintaining sound financial management within a school is the responsibility of the Headteacher and the Governing Body, however, the Council has a statutory duty to:

- identify schools that are causing financial concern and those that are in deficit or at risk of failure;
- challenge and undertake timely interventions to raise standards.

Whilst the Council has recently introduced a new deficit management process, this only addresses deficits already reported by schools. Although the management of school finances can be challenging and there is not always the requisite expertise in a minority of schools, limited training and support is in place. This is based on findings identified during individual school audits. Management have advised this is due to a lack of resource and therefore, the Council prioritises the support it gives to schools based on risk of financial deficit. However, this approach means support may not be provided early enough to prevent more schools moving into deficit.

The following *high-risk* finding was identified:

- The Finance Manual for Schools, which provides detailed guidance to enable schools to comply with the Scheme for Financing Schools, has not been updated since 2013. Given the changes to Department of Education requirements and the substantial technological, business and Council changes during this period, schools following the Finance Manual for School will not necessarily be managing their finances in the most effective and efficient way.

The following *medium risk* findings were identified:

- The absence of a comprehensive training programme, coupled with poor attendance at those training courses which are provided, is resulting in Governors, Headteachers, School Business Manager and Finance Staff (particularly those new in post) lacking the necessary finance skills, knowledge and expertise to manage schools’ finances. This is based on findings identified during individual school audits.

- There is no overarching process to address common audit findings arising from Internal Audit reports.
- A lack of centralised scrutiny and challenge of quarterly returns submitted to the Council by schools.
- An informally documented deficit management process. Without a clearly defined and documented process, shared with schools, the Council is unable to appropriately challenge and support School's to achieve a sustainable balanced financial position over an agreed period of time.

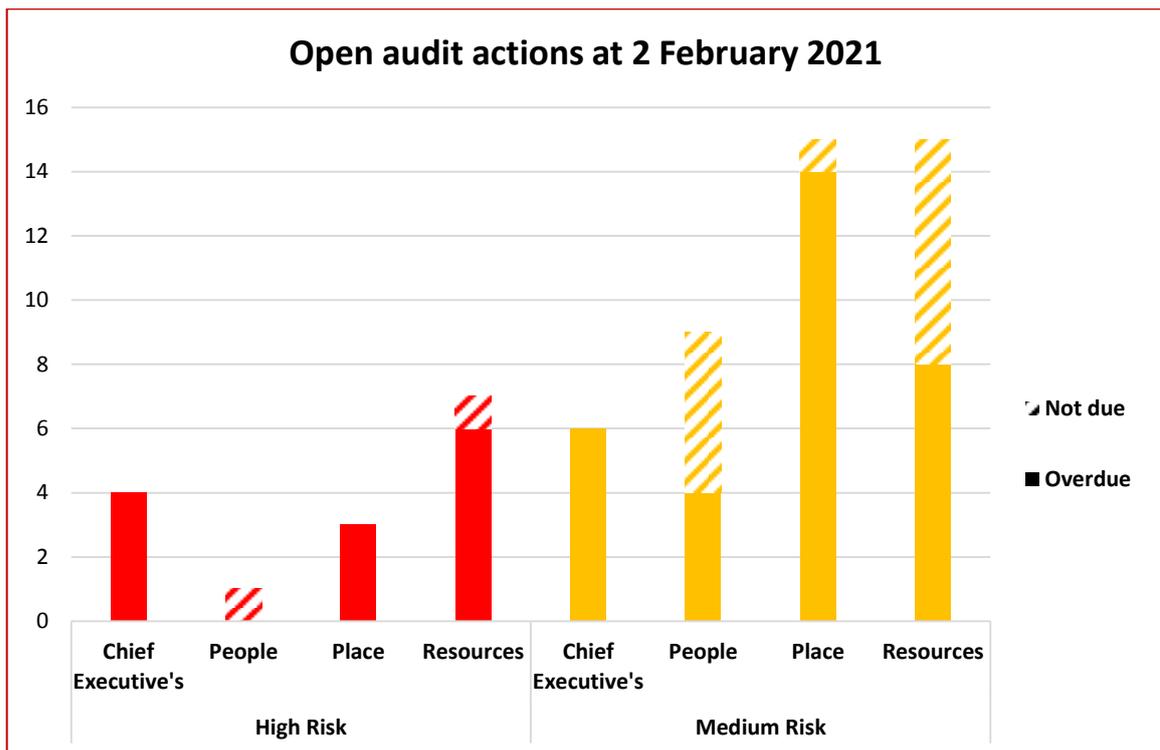
## Corporate Audit Actions Implementation

The Internal Audit and Risk Management teams are responsible for tracking managers' progress with the implementation of internal audit actions.

As at 2 February 2021, the implementation rate (12-month rolling basis) for high risk actions is 78% and for medium risk actions is 71%.

Of the 60 actions identified from the work of Internal Audit on Corporate audits that remained open, 13 high risk and 32 medium risk actions were not fully implemented by their original due date and are, therefore, classified as overdue. Overdue actions are shown by the solid coloured part in the graph below.

**Chart 2: Managers' progress with implementation of agreed audit actions**



Details of the overdue Corporate high risk actions are provided in **Appendix B**.

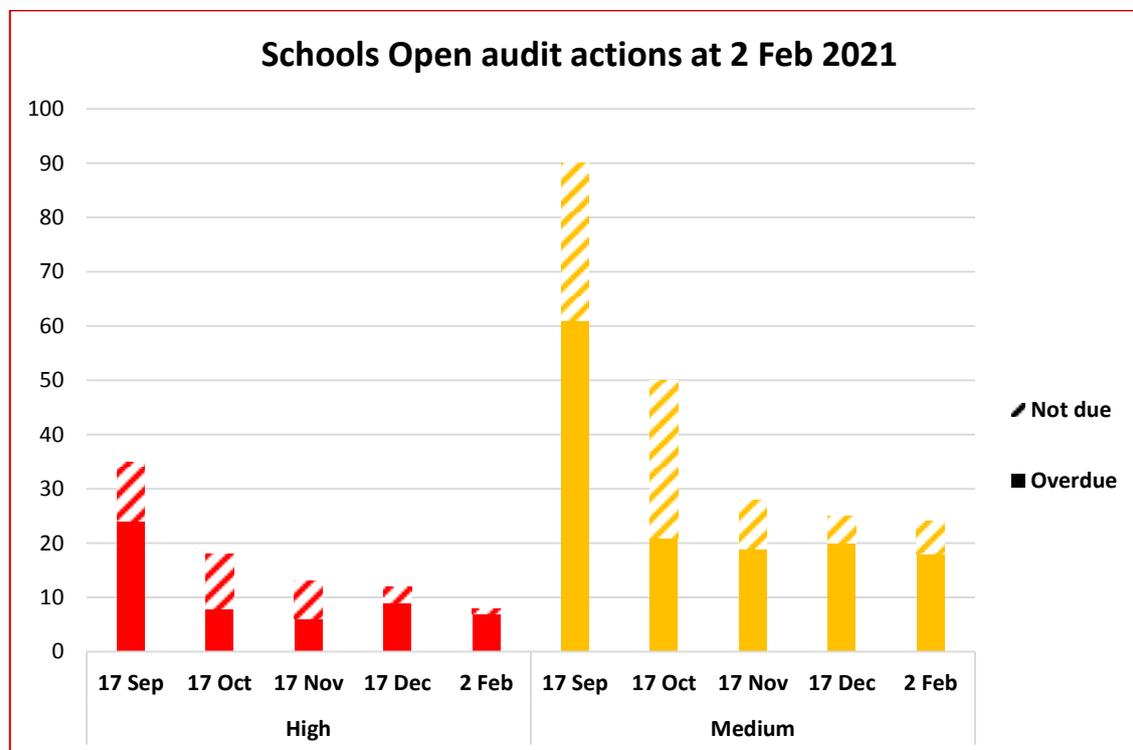
Of the 32 medium risk overdue actions, 6 have been overdue by more than one year and details of these are provided in **Appendix C**.

The Assurance Board continues to review the progress of action implementation including holding supplementary meetings to focus on specific areas.

## Schools' Actions Implementation

As can be seen from the following chart, schools continue to make progress with action implementation. Open and overdue actions have continued to reduce in the last few months.

**Chart 3: Schools' progress with implementation of agreed audit actions**



## Internal Audit Quality Assessment

The performance of the Internal Audit service for 2020/21 to 2 February 2021 is shown in the following table:

**Table 4: Internal Audit Quality Assurance Measures**

KPI / Quality Metric	Target	Actual
Days from end of fieldwork to issue of draft report	15	12
Days from receipt of management comments to issue of final report	10	5
Level of satisfaction score with audit work	80%	95%
% of the audit plan delivered to draft report stage	95% (by 31 March)	51%

## Risk Management

Following on from communications sent out at the end of last year to all senior staff, a large number of risk registers were received from Directors and Services. The next steps are to load the risk registers onto Pentana to allow easier analysis of the data. Further

risk updates are provided in the accompanying Risk Registers report (Corporate, Brexit and COVID-19 Risk Register Updates)

## Insurance

### Litigated Successes

The team's key litigated successes in 2020/21 are provided in the table below:

**Table 5: Insurance Litigated Successes 2020/21**

Department/ Service Area	Incident Date	Type of Claim & Claimant Allegation	Outcome	Reserve (£)
Highways	30/03/2015	<b>Public Liability</b> Paving Trip	Claim discontinued pre-trial	46,500
Transport Operations	21/05/2019	<b>Motor</b> Changing lanes - collision	Claim discontinued pre-trial	17,000
Highways	28/05/2019	<b>Public Liability</b> Hit Planter in carriageway	Claim discontinued pre-trial	6,000
				<b>£69,500</b>

*Attempts are made on all discontinued claims to recover the Council's defence costs*

Due to Covid-19 most litigation came to a standstill in 2020. With the further lockdown in January 2021, we are not expecting courts to re-open until Spring 2021 and therefore there will be a delay in cases being heard at court.

### Key Performance Indicators

Performance of the Insurance Team against 2020/21 KPIs is summarised in the table below:

**Table 6: Insurance Key Quality Assurance Measures**

KPI / Quality Metric	Target	Year to date
% of new claims responded to within 24 hours	95%	87%
% of other correspondence processed within 10 days	80%	82%
Data accuracy - % of claims data correctly input into insurance database	90%	90%
Repudiation rate	65%	65%

### Significant claims

Current open high value claims (£75k and over) are summarised below:

**Table 7: Insurance Significant Claims**

Incident date	Department/Service Area	Circumstances	Total Reserve (£)
22/10/2018	Waste/Parks	Motor Collision	78,301
12/03/2019	Highways	Trip	80,000

Incident date	Department/Service Area	Circumstances	Total Reserve (£)
01/09/2017	Housing	Stress	87,500
01/04/1972	Housing	Mesothelioma (Asbestos)	120,000
22/09/2015	Housing	Slip on stairs	136,810
10/09/2012	Trees	Subsidence	143,500
08/08/2016	Highways	Paving trip	197,250
20/11/2014	Highways	Paving trip	276,595
11/09/2016	Property	Fire	350,000
14/03/2013	Schools - Secondary	Injury due to glass	420,000
05/08/2018	Waste/Parks	Fall from height	500,000
<b>TOTAL</b>			<b>£2,389,956</b>

## Abuse Claims

Current abuse cases notified to the Insurance Team are summarised in the table below:

**Table 8: Insurance Abuse Claims**

Incident year	Department/Service Area	Notification date	Allegations/Circumstances	Total Reserve (£)
2018	Safeguarding	08/07/19	Abuse (no formal claim – disclosure only)	10,000 (own Solicitors costs)
2007	Safeguarding	10/07/19	Failure to remove	65,000
1982	Schools - Secondary	12/09/18	Historic abuse	70,000
2012	Safeguarding	17/08/12	Abuse	175,000
1982	Schools - Secondary	22/01/18	Historic abuse	100,000
2011	Safeguarding	21/08/19	Failure to remove	205,000
2017	Safeguarding	19/05/20	Failure to remove	560,000
<b>Total</b>				<b>£1,185,000</b>

## Covid-19 related claims

We understand that some claims have been made against care home providers.

However, at present, the Council has not received any Covid-19 related claims.

Furthermore, we are currently unaware of any claims that have been submitted by other local authorities to insurers/solicitors.

## Annual Insurance Renewal

We are currently in the process of renewing all the Council's insurance policies for the policy year April 2021 to March 2022.

Generally, we are expecting insurers to impose premium increases and restricted cover in light of Covid-19.

Our broker has warned us that the insurance market is hardening and that this hardening is likely to remain for the next ten years at least. This is likely to include a number of insurers reducing capacity and coverage and/or increasing premiums or withdrawing from the market for certain risks altogether. For example, our broker said they know of 10 insurers who have withdrawn from the Professional Indemnity market entirely.

Generally, the insurance market works in a five year cycle, so for the broker to be predicting a 10 year cycle is an unusual circumstance.

## 2020/21 Audit Plan Status

Department	Title	Audit Status
Chief Executives	Legal	Fieldwork
Chief Executives	Mayors Accounts	Completed
Chief Executives	Members Ethics	Deferred to 2021/22
Chief Executives	Recruitment	Fieldwork
Chief Executives	IR35 Follow Up	Fieldwork
Chief Executives	Organisational Development	Deferred to 2021/22
Chief Executives	Energetik	Deferred to 2021/22
Cross Cutting	Insurance Request Process	Fieldwork
Cross Cutting	Schools Financial Monitoring	Completed
Cross Cutting	Adult Social Care/Financial Assessments - Follow Up	Completed
Cross Cutting	Contract Management Follow Up	Fieldwork
Cross Cutting	Remote Working – IT	Fieldwork
People	Troubled Families Grant Claims – May	Cancelled
People	Troubled Families Grant Claims – June	Completed
People	Troubled Families Grant Claims – July	Completed
People	Troubled Families Grant Claims – August	Cancelled
People	Troubled Families Grant Claims – September	Completed
People	Troubled Families Grant Claims – October	Completed
People	Troubled Families Grant Claims – November	Completed
People	Troubled Families Grant Claims – December	Cancelled
People	Troubled Families Grant Claims – January	Not started
People	Troubled Families Grant Claims – February	Not started
People	Troubled Families Grant Claims – March	Not started
People	Unregulated Placements	Completed
People	Disproportionality in Out of Court Disposals	Deferred to 2021/22
People	Mental Health - AMHP Service	Completed
People	Eclipse	Fieldwork
People	West Grove Primary School	Planning
People	Oaktree School	Completed
People	Starks Field Primary School	Completed
People	Broomfield Secondary School	Draft Report Issued
People	George Spicer Primary School	Fieldwork
People	St Paul's CE Primary School	Deferred to 2021/22
People	Hazelwood Schools	Planning
People	St Ignatius College	Deferred to 2021/22

Department	Title	Audit Status
People	Bush Hill Park Primary School	Deferred to 2021/22
People	St Ignatius College and St Anne's Catholic High School for Girls - Joint Procurement	Fieldwork
People	Enfield County School for Girls – Grant Certification	Fieldwork
Place	Planning Enforcement	Fieldwork
Place	BEGIN Grant	Completed
Place	Cleaning Service	Draft Report Issued
Place	Housing Repairs and Maintenance	Deferred to 2021/22
Place	Community Infrastructure Levy (CIL) and Neighbourhood CIL	Cancelled
Place	Meridian Water – HIF	Fieldwork
Place	Bus Service Operators Grant (BSOG)	Completed
Place	Local Transport Capital Funding Grant	No longer required
Place	Capital Works and Building Control	Deferred to 2021/22
Place	Housing Compliance - Safety Checks and Management of Lift Maintenance	Deferred to 2021/22
Place	Meridian Water - Procurement Strategy	Fieldwork
Place	Climate Change	Planning
Place	Meridian Water – Contract Management	Deferred to 2021/22
Resources	Community Testing Grant Certification	Completed
Resources	General Ledger Follow Up	Fieldwork
Resources	Pre-Paid and Purchase Cards	Fieldwork
Resources	Accounts Payable	Fieldwork
Resources	Council Tax	Completed
Resources	National Non-Domestic Rates (NNDR)	Completed
Resources	Treasury Management	Completed
Resources	Supplier Resilience	Fieldwork
Resources	Web Content Accessibility Guidelines 2.1 (WAGC 2.1)	Deferred to 2021/22
Resources	Cloud Management – IT	Draft Report Issued
Resources	Cyber Security – IT	Fieldwork
Resources	Digitalisation – IT	Deferred to 2021/22
Resources	IT Software Procurement	Completed
Resources	Local Authority Test and Trace Service Support Grant	No longer required
Resources	Enfield Stands Together – JustGiving	Completed
Resources	Procurement Social Value	Deferred to 2021/22
Resources	Consultants Payments Review	Completed
LATC	HGL - Lettings Agency	Deferred to 2021/22
LATC	HGL - Property Services Purchasing	Completed

## Appendix B: Overdue High Risk Actions

### Chief Executive's

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
Equalities	Policy and Action Plan-Governance	<ul style="list-style-type: none"> <li>a) The Equality, Diversity and Inclusion Policy will be updated to include the Council's equalities objectives prior to its presentation to Cabinet for approval.</li> <li>b) A detailed action plan will be developed and made available to all staff, so they are clear about their responsibilities in embedding the Equalities Act in their day to day duties.</li> <li>c) The Board will review and update both documents regularly and changes will be communicated to staff.</li> </ul>	31-Oct-2020	<p><b>Update, February 2021</b></p> <ul style="list-style-type: none"> <li>a) The draft Equality, Diversity &amp; Inclusion Policy includes 6 proposed equalities objectives, which demonstrate specific areas where we are tackling inequality. The policy will be presented to Full Council for approval on the 24th February 2021.</li> <li>b) Consultation on the draft policy closed in December 2020 and was reviewed and changes to the draft were made during early January 2021 with oversight from the Cabinet Member, Equalities Board, Leader and CEO. We received excellent feedback from stakeholders across a spectrum of community interests as well as strong staff and member feedback to help shape a document that will be owned. The accompanying action plan is being finalised and will set out measurable outcomes for the policy that will be reported back through robust governance channels. This plan has been created in partnership between the Corporate Strategy Service and service leads for each objective. This plan makes clear the actions which must be taken to achieve the objective and identifies lead</li> </ul>	28-Feb-2021

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
				<p>officers for each objective.</p> <p>c) Once the final policy is approved by full Council in February 2021, we will be seeking to roll out internal/external communications and training directives to all staff working with senior management and strategic equalities forums.</p>	
Equalities	Monitoring & Reporting - Governance	<p>a) External Reporting In accordance with Section 153 of the Equality Act:</p> <ul style="list-style-type: none"> <li>- Information will be published annually on how the Council is fulfilling its Equality Duty</li> <li>- One or more equalities objectives will be agreed and published</li> <li>- The Council will review the Equality webpage and ensure that out of date documents are removed and repopulated with current information. Going forward this will be reviewed regularly to ensure staff, residents and other interested parties are kept informed.</li> </ul> <p>b) Internal Reporting</p> <ul style="list-style-type: none"> <li>- An agreed set of performance indicators will be developed and used to monitor performance. This will be approved and regularly monitored by the Board.</li> </ul>	30-Sep-2020	<p><b>Update February 2021</b></p> <p>a) The 2020 Equalities Annual Report has now been agreed with Cabinet lead, Equalities Board, Leader and CEO. This sets out how Enfield Council is fulfilling its Equality Duty, under s153, on the website. The policy will be published on the internet in February 2021. The previous equalities policy and objectives will be removed. The website will continue to be regularly reviewed by the Corporate Strategy Service and Corporate Equalities Board.</p> <p>b) In the draft Equalities Policy, we state that the Corporate Equalities Board will review progress made towards achieving our equalities objectives annually. In the action plan, we have included measures of success and the Corporate Equalities Board will review progress against these measures of success.</p>	01-Mar-2021

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
		<ul style="list-style-type: none"> <li>- Requirements for monitoring and reporting will be included in the Equality, Diversity and Inclusion Policy.</li> </ul>			
Equalities	Training-Governance	<ul style="list-style-type: none"> <li>a) A mandatory training programme for public sector services will be introduced to ensure that all staff are aware of:               <ul style="list-style-type: none"> <li>- their responsibilities under the Equalities Act 2010</li> <li>- how the Council expects staff to meet these responsibilities</li> <li>- mandatory monitoring and reporting that must be undertaken.</li> </ul> </li> <li>b) The Board will oversee the development and introduction of the training programme and will ensure the training programme is regularly reviewed and updated.</li> </ul>	31-Dec-2020	<b>Awaiting Update - to attend next Assurance Board</b>	31-Dec-2020
Leavers	Process Governance	<ul style="list-style-type: none"> <li>a) The starter and leaver process will be reviewed under the ownership of the HR Service.</li> <li>b) As owner of the process, the HR Service will perform checks (by sampling) to ensure that instructions to recover laptops, security passes, etc. are being followed.</li> <li>c) The Human Resources Service will liaise with the ICT Service to</li> </ul>	31-Mar-2020	<p><b>Update February 2021</b></p> <p>Update provided to Assurance Board 29 January 2021</p> <p><b>Update January 2021</b></p> <p>DS Existing Leavers process in Service Now is enabling return and identification of outstanding devices. Including improved dashboard that demonstrates improvement - please see</p>	31-Mar-2021

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
		<p>implement a unified IT provision and system that supports this process, so it supports a single journey for the organisation including the ability to identify at individual level the user's status, network and systems access and ICT assets assigned to that user.</p> <p>d) This will also include the ability to provide access for reporting either via a self-reporting tool or using the council's chosen reporting functionality Power BI.</p> <p>e) While the implementation is defined and projects delivered, the existing reporting using SAP, Service Management Tools, Active Directory and Microsoft Office 365 console will be used to provide on-going information to facilitate reviews of compliance.</p> <p>f) The risk will be captured on the Risk Register and reviewed monthly until the implementation above is completed.</p> <p>g) To support this review, we will also use the Customer Experience Programme to endorse the approach and monitor progress</p>		<p>evidence of outstanding leavers attached.</p> <p>In addition, DS has undertaken fixes to Service Now aligning the Active Directory to ensure that the user journey is joined up. These fixes also included ensuring that all assets with a user can be identified as part of the recovery when a user leaves.</p> <p>Any remaining fixes to the journey will be applied using a delivery partner who will be appointed w/c 110121. These prioritised fixes will be agreed with HR upon appointment of the partner.</p>	

## Resources

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
Financial Resilience	Debt monitoring and reporting	We will produce an arrears report that includes reasons for the debtor; any factors affecting recovery; and steps being taken to recoup the debt.	31-Dec-2020	<p><b>Update December 2020</b></p> <p>The agreed action has been overtaken by events as we are in the process of agreeing a Fair Debt and Income Strategy which incorporates 7 key objectives along with action plans for each objective. The governance will be under a new Debt Board which will monitor progress. A debt scorecard is being developed to give the board an overview of all corporate debt.</p>	31-Mar-2021
General Ledger (SAP)	Incomplete policies and procedures	<p>a) The Financial Regulations are currently being updated; we will also implement a routine review of all General Ledger related procedures to occur at least annually, immediately after the External Audit.</p> <p>b) We will create local policies and procedures to cover:</p> <ul style="list-style-type: none"> <li>- Roles and responsibilities of all relevant officers and departments;</li> <li>- Process flowcharts for key GL processes;</li> <li>- A suspense account procedure;</li> <li>- Month-end/Quarterly reporting timetables;</li> <li>- Reconciliations;</li> <li>- Chart of Accounts update</li> </ul>	30-Jun-2020	<p><b>Update February 2021</b></p> <p>A follow up audit is currently underway and will report on progress made in implementing actions in due course.</p> <p><b>Update, November 2020</b></p> <p>Follow up audit Terms of Reference issued, fieldwork to commence in January</p> <p><b>October 2020, meeting between Internal Audit and Finance</b></p> <p>Financial Regulations have been updated and evidence will be sent</p> <p><b>Update, September 2020</b></p> <p>a) Financial Regulations Updated and General Ledger procedures will be reviewed post</p>	31-Oct-2020

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
				<p>External Audit.</p> <p>b) Roles and responsibility for all officers and departments are in the financial regulations.</p> <p>Process flowcharts for key GL processes will be created post External Audit.</p> <p>Balance Sheet codes are reconciled quarterly. Work already underway to reduce suspense (holding codes), alongside internal recharges and gradually remove over next year.</p>	
General Ledger (SAP)	Inadequate review of suspense and control accounts	<p>a) We will review SAP and ensure we have a complete listing of all suspense accounts.</p> <p>b) We will review all suspense accounts in SAP and take steps to reduce these to ensure only the minimum necessary are retained.</p> <p>c) We will implement a routine review of suspense accounts, with identified owners for this process. This will be documented in procedure notes (see Finding #1).</p> <p>d) We will ensure that responsibility for reviewing and clearing control accounts is defined and this activity is performed and reviewed and signed off including regular senior overview of the process. This will be documented in procedure notes (see Finding #1).</p>	31-May-2020	<p><b>Update February 2021</b></p> <p>A follow up audit is currently underway and will report on progress made in implementing actions in due course.</p> <p><b>Update, November 2020</b></p> <p>Follow up audit Terms of Reference issued, fieldwork to commence in January.</p> <p><b>October 2020, meeting between Internal Audit and Finance</b></p> <p>Further evidence to be provided.</p> <p><b>Update, September 2020</b></p> <p>a) Suspense Accounts should not exist except for unallocated cash, which will be cleared every 12 months on a rolling basis, as per item 1.</p>	31-Oct-2020

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
				b) as above. c) as above. d) all balance sheet codes are reconciled quarterly plus major ones monthly - need list to be updated - update names of completers and approvers - need new form  All suspense accounts were brought up-to-date and cleared at year end, with clear owners for all suspense (holding codes). This needs to be brought up-to-date for end of June and September. Finance to produce a report and will review at the Finance Manager's meeting. Procedure notes to be produced post External Audit.	
General Ledger (SAP)	Inadequate reconciliations of feeder systems and balance sheet codes	a) All system interfaces will be identified, understood and documented. b) We will ensure system interfaces are reconciled monthly or quarterly and that these are reviewed by an appropriate Manager and supplied to Finance. This will be documented in procedure notes (see Finding #1). c) We will ensure a process is put in place to reconcile balance sheet accounts on a quarterly basis. These reconciliations will be approved by named appropriate managers.	31-May-2020	<b>Update February 2021</b>  A follow up audit is currently underway and will report on progress made in implementing actions in due course.  <b>Update, November 2020</b>  Follow up audit Terms of Reference issued, fieldwork to commence in January. <b>October 2020, meeting between Internal Audit and Finance</b>  Reconciliations completed to September. New procedures will be in place for next month.	31-Oct-2020

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
				Finance to forward document.  <b>Update, September 2020</b>  a) ICT need to update system interfaces. b) All system interfaces need to have owner and approver. c) Quarterly balance sheet codes - next week go to Finance Management Meeting and get everyone to agree to their codes	
General Ledger (SAP)	Inadequate segregation of duties and lack of supporting documentation	a) A standardised approach of inputting journals will be clearly communicated by Finance to other teams in the Council who use SAP. Included in this approach will be a clear outline of what appropriate evidence needs to be attached to the journal and segregation of duty arrangements. A sample of journals across the Council will be reviewed by Head of Corporate Finance each quarter to ensure the approach is being followed. (See Finding #1).  b) We will review system access to ensure segregation of duties is in place for all journals.  c) New Journal Upload file to be created preventing automatic approvals.	30-Jun-2020	<b>Update February 2021</b>  A follow up audit is currently underway and will report on progress made in implementing actions in due course.  <b>Update, November 2020</b>  Follow up audit Terms of Reference issued, fieldwork to commence in January.  <b>October 2020, meeting between Internal Audit and Finance</b>  Absoft have confirmed this is possible. Finance to confirm outcome of further conversation with Absoft and provide update. <b>Update, September 2020</b> a) Instruct Absoft to produce new journal template. Gareth and Michael to set up meeting. b) Evidentiary pack on what constitutes good	31-Oct-2020

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
				evidence for a journal. (needs circulating by Melissa). All June 30 and September 30 reconciliations to be produce by end for Sept 30 and Oct 31. c) Need to create new responsibilities in SAP to split out the roles and delete existing responsibilities. - Michael to produce in 2020/21.	
Payroll	Lack of payroll reconciliations	We will perform monthly reconciliations between the Payroll system and General Ledger. Any differences identified will be resolved in a timely manner. The reconciliation will be reviewed and signed off by management.	30-Sep-2020	<p><b>Update February 2021</b></p> <p>A General Ledger follow up audit is currently underway and will report on progress made in implementing actions in due course.</p> <p><b>Update, November 2020</b></p> <p>To be covered in the GL follow up audit, fieldwork to commence in January.</p> <p><b>Update, September 2020</b></p> <p>Will be included in quarterly reconciliation list and subject to same timings of production.</p>	30-Sep-2020

## Place

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
Facilities	Due Diligence	a) The due diligence checks will be	31-Dec-2020	<b>Awaiting Update - to attend next Assurance</b>	31-Dec-2020

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
Management of Youth Centres	Checks- Public Liability Insurance	<p>reviewed to include the requirement for all new external long-term hirers to provide proof of appropriate public liability insurance.</p> <p>b) The above requirement will also be carried out retrospectively to include current external long-term hirers.</p> <p>c) Evidence of this check will be retained as part of service records.</p> <p>d) Going forward, as well as performing an annual review of partner organisations' public liability insurance, a similar review will be undertaken for external long-term hirers.</p>		<b>Board</b>	
Facilities Management of Youth Centres	Corporate Landlord Responsibilities	<p>The Corporate Compliance Officer will continue working with the Buildings and Lettings Officer to ensure that:</p> <ul style="list-style-type: none"> <li>- All statutory and service compliance checks are carried out and documented in a timely manner;</li> <li>- Exceptions identified in this audit from the compliance report are investigated and resolved as a matter of urgency;</li> <li>- All information is centralised and recorded in the Atrium system, including fire extinguisher checks;</li> <li>- All exceptions are included in the</li> </ul>	31-Dec-2020	<b>Awaiting Update - to attend next Assurance Board</b>	31-Dec-2020

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
		quarterly Health and Safety Board report. The Atrium System Facilitator will arrange for FM staff to gain access to Atrium.			
Facilities Management of Youth Centres	Policies and Procedures	<p>a) Comprehensive policy and procedures for the facilities management of youth centres will be compiled to include:</p> <ul style="list-style-type: none"> <li>- The use of youth centre premises;</li> <li>- Clear roles and responsibilities of officers and third -party organisations;</li> <li>- Terms and conditions of hire;</li> <li>- Invoicing and payment procedures;</li> <li>- Record keeping and documentation;</li> <li>- Corporate landlord responsibilities;</li> <li>- General upkeep and maintenance of the premises.</li> </ul> <p>b) The policy and procedures documentation will be reviewed annually and communicated to staff.</p> <p>c) The Corporate Landlord policy will be reviewed and updated to reflect changes in the roles and responsibilities of officers.</p>	31-Dec-2020	<b>Awaiting Update - to attend next Assurance Board</b>	31-Dec-2020

## APPENDIX C: Medium Risk Actions Overdue > 1 Year

### Chief Executives

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
Leavers	Completion of Service Now Forms	<p>Please see the agreed action for Finding 1 where we undertake to formally review both process governance and to the ICT system used in the leavers process.</p> <p>a) The HR Service will review the leavers process to remove the need for individual forms. The use of a single contact from managers will be the trigger for all processes.</p> <p>b) In the interim before a) is implemented:</p> <p>c) Given the audit did not identify any issues in relation to the successful completion of payroll forms, the ICT and HR Services will work with the Payroll team to make changes to the form to remind managers to also record the change on Service Now.</p> <p>d) Within the IT Service, we will send an email to line managers in cases where the Service Now leavers form has not been completed. HR will be copied into this email to enable HR to incorporate the completion of these forms into the</p>	31-Aug-2019	<p><b>Update February 2021</b></p> <p>Update provided to Assurance Board 29 January 2021</p> <p><b>Update January 2021</b></p> <p>DS Existing Leavers process in Service Now is enabling return and identification of outstanding devices. Including improved dashboard that demonstrates improvement - please see evidence of outstanding leavers attached.</p> <p>In addition, DS has undertaken fixes to Service Now aligning the Active Directory to ensure that the user journey is joined up. These fixes also included ensuring that all assets with a user can be identified as part of the recovery when a user leaves.</p> <p>Any remaining fixes to the journey will be applied using a delivery partner who will be appointed w/c 110121. These prioritised fixes will be agreed with HR upon appointment of the partner.</p>	31-Mar-2021

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
		<p>performance management and/ or disciplinary processes. As part of the review mentioned in Finding 1 above, we will explore the most appropriate way to incorporate this within these processes.</p> <p>e) Non Matrix individuals are captured within Active Directory and the ICT Service will reduce their access to 3 months maximum. Line managers will be required to request continued access from ICT at the end of this period.</p>			

## People

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
Request for Funding – end to end process	Roles and responsibilities – Control Design	The full process will be documented, and processing guidance produced to effectively align the process to the new structure and ensure clarity in roles and responsibilities. This will then be effectively communicated to staff dealing with the RFF process.	01-Jan-2018	<p><b>Update January 2021</b></p> <p>One update of the process has been completed however it is being further revised as ARIS have taken on more responsibilities.</p> <p><b>Update November 2020</b></p> <p>We have full end to end RFF process. However, this is being updated as ARIS have taken on more RFF activities recently to cover more</p>	28-Feb-2021

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
				areas.	

## Place

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
Broomfield House	Vision	The Partnership Board to finally agree the strategy for the house, including milestones for delivery. A report to Cabinet will be completed in order to gain agreement to the strategy.	01-Sep-2017	<b>Update February 2021</b> A paper is due at the next Assurance Board, setting out the costs related to Broomfield House.	31-Oct-2020
Broomfield House	Covenant	The work on the covenant to be finalised and a Financial Implication Report prepared to indicate the Council's potential liability in the event that any development or restoration of the house goes ahead	01-Sep-2017	<b>Update February 2021</b> A paper is due at the next Assurance Board, setting out the costs related to Broomfield House.	31-Oct-2020
Broomfield House	Communication Strategy	A communication strategy should be devised to ensure that all interested parties, including local residents and the general public, are informed about progress, risks, issues and next steps.	01-Apr-2017	<b>Update February 2021</b> A paper is due at the next Assurance Board, setting out the costs related to Broomfield House.	31-Oct-2020
Broomfield House	Procurement Strategy	The project needs to be identified before its delivery can be procured. This will be resolved by Cabinet report. A procurement strategy will then be devised in conjunction with the overall strategy for the House, to ensure that works and services are acquired efficiently and effectively.	01-Sep-2017	<b>Update February 2021</b> A paper is due at the next Assurance Board, setting out the costs related to Broomfield House.	31-Oct-2020