

## London Borough of Enfield

### General Purposes Committee

4 August 2021

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

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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 2021 to 30 June 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
  - the findings and actions from *No* and *Limited* Assurance reports issued as requested at the last General Purposes Committee. This information has been provided in **Appendices B to G**.
2. Progress has been made in delivering the 2021/22 Internal Audit plan, with 21% of reviews having commenced. Of these, 4% have been finalised. This compares to 14% commencement and 2% completion in June 2020.
3. Since the audit plan was agreed by the General Purposes Committee in March 2021, one audit has been cancelled and two further audits have been added to the plan.
4. With the support of the Assurance Board, a high implementation rate of agreed audit actions continues. As at 30 June 2021, the implementation rate for high risk actions (on a 12- month rolling basis) is 79% and for medium risk actions is 81%. A summary of overdue high risk and medium risk audit actions at 30 June 2021 is also presented in **Annex A**.
5. A summary of proactive, reactive and preventative fraud work that has been undertaken by the Counter Fraud Team is reported with particular emphasis on Covid-19 pandemic related activities. To date, the Counter Fraud team has

achieved savings of **£1.18m**. This includes notional housing savings via the recovery of properties used as Council Housing or temporary accommodation.

## **Proposal**

6. The General Purposes Committee is requested to:

- note the work completed by the Audit and Risk Management Service during the period 1 April 2021 to 30 June 2021 and the key themes and outcomes arising from this work
- provide feedback on the contents of this report

## **Reason for Proposal**

7. 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**

8. 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**

9. 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**

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

## **Background**

11. 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.

12. 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.

13. The Internal Audit Plan for 2021/22 was submitted to and agreed by the General Purposes Committee on 4 March 2021.

14. This report summarises the work completed by the Audit and Risk Management Service between 1 April 2021 and 30 June 2021.

### **Main Considerations for the Council**

15. 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.

16. The Audit and Risk Management Service supports management in the identification and mitigation of risks as part of its work.

### **Safeguarding Implications**

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

### **Public Health Implications**

18. 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**

19. Following the completion of the Corporate Equalities Impact Assessment initial screening, this report does not have an Equalities impact.

### **Environmental and Climate Change Considerations**

20. There are no environmental and Climate Change considerations arising directly from this update from the Audit and Risk Management Service. However, an advisory audit on Climate Change was completed as part of 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**

21. 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.

22. 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**

23. N/A

## **Financial Implications**

24. 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’.
25. 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:
26. 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.
27. 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.
28. 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**

29. 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)).
30. 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.

31. 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.

32. 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.

33. This report addresses the statutory obligations for local audit processes in compliance with the 2015 Regulations.

### **Workforce Implications**

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

### **Property Implications**

35. There are no property implications intrinsic to the proposals in this report.

### **Other Implications**

36. N/A

### **Options Considered**

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

### **Conclusions**

38. The General Purposes Committee is requested to:

- note the work completed by the Audit and Risk Management Service during the period 1 April 2021 to 30 June 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: 26 July 2021

## **Appendices**

**Annex A:** Audit and Risk Management Service Progress Update

## **Background Papers**

None



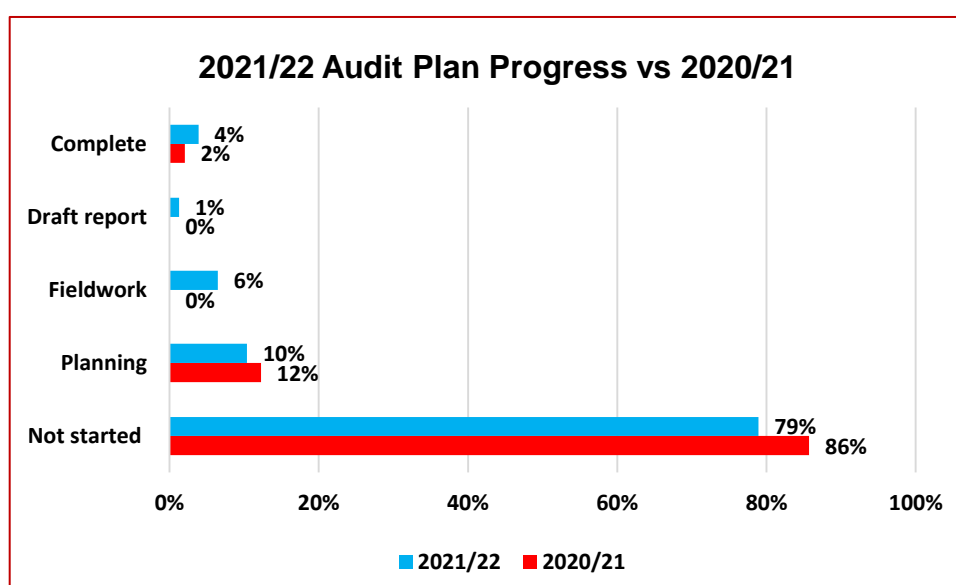
# **Audit and Risk Management Service Progress Update 30 June 2021**

## Internal Audit

During the period 1 April 2020 to 30 June 2021, the Internal Audit team has commenced 17 assignments (21% of the current plan) of which 3 (4%) have been completed. For the same period in 2020, 7 audits (14%) had commenced and 1 (2%) had been completed.

The following chart summarises the 2021/22 progress compared to 2020/21:

**Chart 1: 2021/22 Internal Audit Progress vs 2020/21**



## Changes to the 2021/22 Internal Audit Plan

Since the internal audit plan was approved by the General Purposes Committee in March 2021, one audit has been cancelled and two audits have been added.

The cancelled audit is:

**Table 1: Cancelled Audits**

Department	Audit	Reason for Cancellation
People	Adoption	Agreed with Executive Director, People in April 2021 that an internal audit of regionalised adoption was no longer required.



The additional audits are:

**Table 2: Additional Audits**

Corporate Risk Reference	Department	Audit	Description
CR05 Duty of Care	People	Looked After Children - Financial Control	Following cessation of the ContrOcc work, to confirm that the introduction of a new improved control system is appropriate and working effectively
CR04 Information Governance	Cross Cutting	Handling of Members' Post	Requested by Chief Executive

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

### Completed Audits

Three audits have been completed so far this year:

**Table 3: Completed Audits at 30 June 2021**

Corporate Risk Reference	Department	Audit	Assurance Level
CR02 Failure to maximise income	People	Supporting Families Grant Certification - May	N/A – Grant Certification
CR02 Failure to maximise income	People	Supporting Families Grant Certification - June	N/A – Grant Certification
CR04 Information Governance	Cross Cutting	Handling of Members' Post	N/A – Management Letter

### 2020/21 Audit Plan – Limited and No Assurance Reports

Since the last update to this Committee, we have issued six audits from the 2020/21 audit plan with a *No* or *Limited* assurance opinion. These are outlined in the following table:

**Table 4: Limited and No Assurance Reports**

Department	Audit	Assurance Opinion	Reference
Place	Planning Enforcement	No	Appendix B
Chief Executives	Legal	Limited	Appendix C
Chief Executives	Recruitment	Limited	Appendix D
Place	Meridian Water Procurement Strategy	Limited	Appendix E
Resources	Pre-Paid and Purchase Cards	Limited	Appendix F
Resources	Supplier Resilience	Limited	Appendix G

The findings and resulting agreed actions from the above audits are outlined in **Appendices B – G**.

The following summaries from the audit reports briefly explain the reasoning behind the assurance opinions given:

- **Planning Enforcement (No Assurance) – Appendix B**

This review identified 5 *high* risk and 5 *medium* risk findings.

Areas of good practice identified in the audit included: the planning enforcement manager and team appeared to have good knowledge of all open cases and a process has been implemented to identify cases that could not be progressed due to COVID-19 national restrictions.

The following *high* risks findings were identified:

- **Out-of-date policies** – the Planning Enforcement policy is dated 2005. An updated policy was drafted in 2015 and went through public consultation but is still awaiting final approval.
- **Senior officer escalation and service oversight** - there is no clear process to escalate issues to senior management and the management information provided to senior management could be improved to provide more information on service performance.
- **iDoX system limitations** – The iDoX system (used to log and track cases) does not have a number of functionalities to enable efficient processing for example: mandatory fields, reminders or full audit trails.
- **Complaints processes – testing exceptions** – We tested 5 complaints and noted several instances regarding the timeliness of processing and incomplete audit trails.
- **Operational service monitoring** – The team do not extract information on case progression from iDoX to inform team meetings and there are no operational objectives or KPIs set around processing targets. At the time of fieldwork, 456 of 671 planning enforcement cases remain open on the system (68%).

The following *medium* risk findings were identified:

- **Incomplete procedure notes** – The Council's flowcharts for pre and post-enforcement action require updating to reflect the current process and provide additional guidance on key communication points.
- **Complaints process** – Policy and procedures require an update to ensure they are consistent, sufficiently cover roles and responsibilities and flag key processing timelines.
- **Cases – testing exceptions** – Our testing of a sample of 25 cases identified several issues with the retention of evidence.
- **Cases on hold** – There are 87 cases (13%) which have been put 'on hold' due to COVID-19 restrictions. However, the Council has not informed complainants that their case is not currently being actioned.
- **Out-of-date website details** - An incorrect email address is included on the Planning Enforcement section of the website; the Council should also consider including other publicly available documents here to clarify the Council's policies and procedures.

- **Legal (Limited Assurance) – Appendix C**

This review identified one *high* risk, two *medium* risk and three *low* risk findings. The *high* and *medium* risk findings are detailed below:

High risk:

- During testing, eight of 15 contracts requested could not be found. Of these, six of 10 were sealed contracts and two of five were contracts valued over the EU threshold. Also, Legal Services does not hold a complete register of all live sealed contracts and agreements or signed contracts with a value in excess of the EU threshold.

Medium risk:

- Legal Services does not maintain a record of its authorised e-payment requesters. We were unable to determine whether the authority to request e-payments had been removed from individuals who no longer have this responsibility following the procedural changes that took effect in February 2021.
- There are inconsistencies between the Council's Constitution (Part 4) and the Council's Procurement Manual in relation to Legal Services' involvement in the procurement process for contracts over the EU threshold and in relation to the value of contracts that require to be formally sealed.

- **Recruitment (Limited Assurance) - Appendix D**

This review identified three *high* risk, two *medium* risk and one *low* finding. The *high* and *medium* risk findings are detailed below:

High risk:

- The Transfer of Undertakings (Protection of Employment) (TUPE) of over 100 cleaning staff from Enfield Norse into the Council took place on 1 April 2020. However, to date, HR has not completed all required pre-employment checks. This includes four DBS and vetting checks and five right to work in the UK checks.
- The maintenance contract for the Council's recruitment application, i-Grasp, expires on 31 March 2021 and after this date, no support will be available. At the time of the audit, a decision on a replacement system had not been taken.
- Currently no monitoring and reporting on strategic and operational service delivery is carried out. Although the recruitment policy outlines a number of deadlines that must be met, these are not being monitored as i-Grasp is unable to produce fit for purpose management information reports.

Medium risk:

- No independent checks are carried out by the Recruitment Team to confirm that officers who sit on recruitment panels have completed the

mandatory training within the last three years, in accordance with the recruitment policy. Also, we noted in some instances that short list reports, interview notes and issuing of employment contracts before employee's start date did not always take place as part of the selection stage and pre-employment checks.

- There is no guidance in the apprentice policy to confirm which pre-employment checks (including references) are to be carried out.

- **Meridian Water Procurement Strategy (Limited Assurance) – Appendix E**

This review identified 5 *medium* risk findings.

The following *medium* risk findings were identified:

- **Contract Management** – There are incomplete and inconsistent records on the London Tenders Portal ('LTP').
- **Monitoring and Oversight** – The procurement trackers provided did not cover all procurements in our sample and were largely incomplete with blank columns and missing commentary.
- **Due Diligence Checks** – Due Diligence checks are limited to credit checks on potential suppliers at the procurement phase; there are no ongoing due diligence checks (financial or reputational) over the course of the contract.
- **Programme Board Terms of Reference (ToRs)** – We reviewed the ToRs across the 8 Programme Boards and noted that their templates were not standardised leading to content inconsistencies; wording was unclear in the overarching Programme Board ToR; and in 2 of 8 (25%) cases the meeting frequency differed to that specified on the governance chart provided.
- **Policies and procedures** – 3 of 5 (60%) procurements tested contained steps that were not outlined within the CPRs or Procurement Manual.

- **Pre-Paid and Purchase Cards (Limited Assurance) – Appendix F**

This review identified *one high* risk and three *medium* risk findings.

The following *high* risk finding was identified:

- The remedial options available to Exchequer Services regarding non-compliance with the P Card policy are limited.

For the period under review (June 2019 to November 2020), we found that £2.5m (73%) spend on P Cards was not approved by the budget holder and just under half of all spend (42% of transactions) was not supported by a receipt, of which 15% related to VAT-able spend.

This trend continued in January 2021 with 81% of P Card transactions not being authorised.

Exchequer Services informed us that approvers who have not authorised their transactions are identified in monthly reports and are contacted regarding this. However, this information should also be escalated to senior management so that appropriate management actions can be taken.

The following *medium* risk findings were identified:

- 458 Pre-Paid Cards had been issued but not activated (i.e. they were not being used). These held a total balance of £134k.

100 of these cards (with a total nil balance) were allocated to the Emergency Response Team and are held in case of emergency, therefore we note that there would not necessarily be usage of this category of card.

We found 35 cards with a total balance of £52k that had been in issue for over six months but not activated. Whilst this in part may be explained by the lack of spending during lockdown, there may also be card holders who no longer require funding assistance due to a change in care needs, which has not been identified.

This presents a risk that these funds could be misused.

- Third-party agents who sign Direct Payment Agreements are not bound by the same terms and conditions as personal budget recipients. This exposes the Council to the risk of misuse and not being able to recover misused funds, if misuse were to occur.
- Spend on Pre-Paid card with all-purpose companies, such as Amazon and supermarkets, is not routinely evidenced in order to ensure that spend is in accordance with the agreed care plans.

An update on the implementation on the actions from this audit are given below.

#### • **Supplier Resilience (Limited Assurance) – Appendix G**

This review identified 1 *high* risk and 3 *medium* risk findings:

The *high* risk finding is:

- Ongoing monitoring of suppliers and due diligence checks – We issued questionnaires for 12 different contracts. Of the 10 received back, we found there is a lack of understanding and inconsistency on due diligence checks performed and on-going monitoring of suppliers.

The *medium* risk findings are as follows:

- **Oversight of the supplier resilience exercise** - We would expect the P&C Hub to monitor the supplier resilience assessments completed by the Contract Managers and challenge these appropriately to ensure they have been done to consistent standard. However, from a review of the centralised spreadsheet where assessment outcomes are recorded, many assessments are incomplete and there is a lack of oversight and challenge.
- **Procedural guidance for resilience exercise** – The guidance documents do not cover all processes which is leading to inconsistencies.
- **Documentation of assessments and supporting evidence** – 12 supplier assessments were requested for testing however we found several instances where information provided was incomplete.

#### **Pre-Paid and Purchase Cards Audit – Progress Update**

The General Purposes Committee on 30 June 2021 requested an update on the progress of action implementation in relation to the Pre- Paid and Purchase Card audit.

The action owners have confirmed that:

- Finding 1 - Implemented
- Finding 2 - Implemented
- Finding 3 - a revised target date of 31 July 2021 has been agreed with the Internal Audit team
- Finding 4 - implemented.

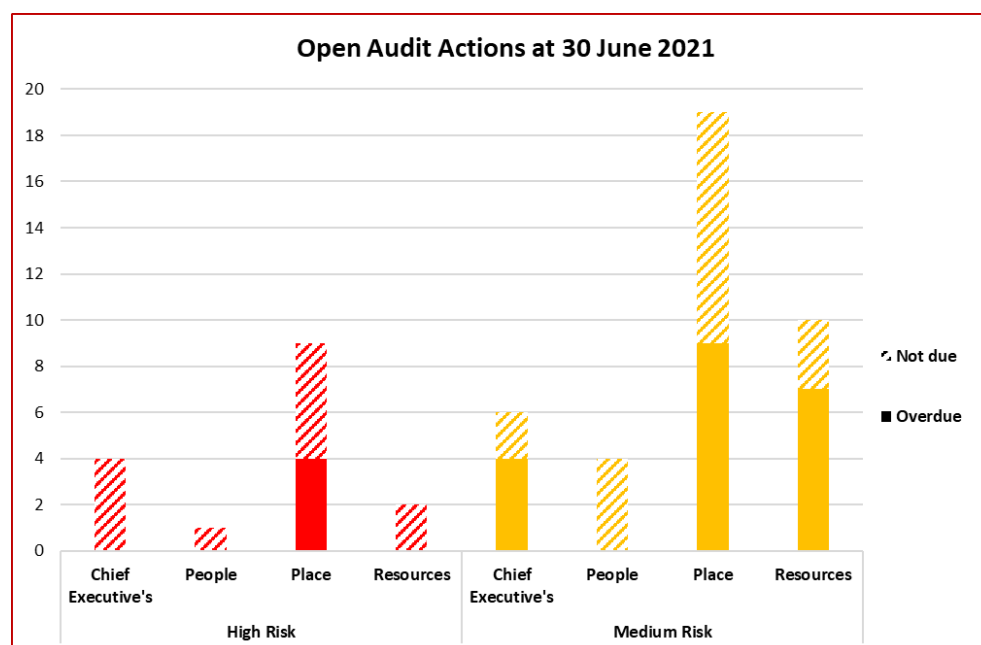
## Corporate Audit Actions Implementation

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

As at 30 June 2021, the implementation rate (12-month rolling basis) for high risk actions is 79% and for medium risk actions is 81%.

55 actions identified from Corporate audits remain open. Of these, 24 (4 high, 20 medium risk actions) were not fully implemented by their original due date and are, therefore, classed 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 H**.

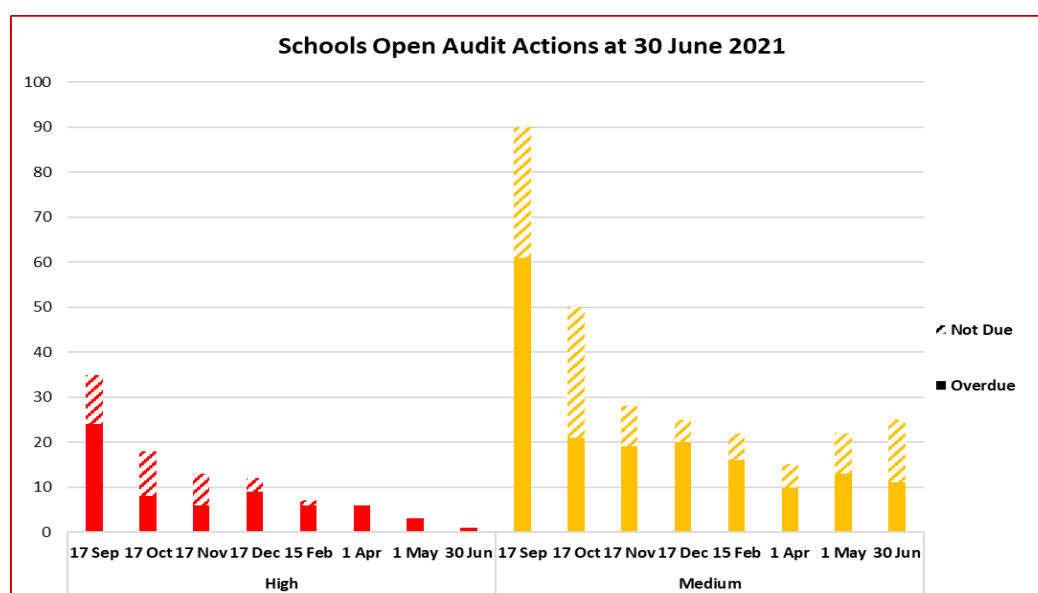
Of the 20 medium risk overdue actions, 2 have been overdue by more than one year and details of these are provided in **Appendix I**.

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. Now only one high risk action and 11 medium risk actions remain overdue.

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



## Internal Audit Quality Assessment

Performance of the Internal Audit service for against agreed KPI/Quality metrics for the year to date is outlined in the following table:

**Table 5: Internal Audit Quality Assurance Measures**

KPI / Quality Metric	Target	Actual
Days from end of fieldwork to issue of draft report	15	1
Days from receipt of management comments to issue of final report	10	3
Level of satisfaction score with audit work	80%	N/A
% of the audit plan delivered to draft report stage	95% (by 31 March)	5%

The level of satisfaction with audit work is determined by way of client satisfaction surveys. No surveys have been issued so far this year.

## Counter Fraud

### Savings Identified

As at 30 June 2021, the Counter Fraud team has identified savings of **£1.18m**, including notional housing savings via the recovery of properties used as Council Housing or temporary accommodation. Further details of these savings and the work undertaken are given below.

## Business Grants

The Counter Fraud team are continuing to assist the Economic Development and Business Rate teams to administer the various grant schemes funded by the Department for Business, Energy and Industrial Strategy (BEIS).

For the first two months of 2021/22, this has mainly involved the Additional Restrictions Grant (ARG) scheme.

Counter Fraud staff have assisted with the application design process and are conducting mandatory pre-payment checks as well as undertaking post-payment verification work in due course.

We are currently undertaking post-payment work covering the Local Restrictions Support Grant Scheme which will involve an examination of a sample of successful applications to confirm that they were entitled to assistance.

Although there are no grant savings to report for the period, this is testament to the effectiveness of pre-payment checks that have been carried out.

## National Fraud Initiative

In common with all local authorities, the Council participates in the National Fraud Initiative (NFI) exercise that is co-ordinated every two years by the Cabinet Office.

The Cabinet Office matches the data submitted to highlight cases of potential fraud or error, such as individuals who are claiming assistance from more than one authority.

The data is also matched against government datasets, such as records of deceased persons, and the results are returned to authorities for follow-up enquiries.

To date, overpayments totalling **£63k** have been identified in relation to Enfield.

The NFI are setting up a London Fraud Hub which allow matching of data across participating boroughs on a monthly basis. The Counter Fraud team has volunteered to be an early adopter of this new project.

## Counter Fraud Savings

The following table shows the number of properties that have been recovered by the Counter Fraud, Neighbourhood and Temporary Accommodation teams:

**Table 6: Properties Recovered as at 30 June 2021**

Fraud Type	Annual Target	Cumulative Target June 2021	Actual June 2021	Variance
Council Properties Recovered	75	19	7	(12)
TA / HA Properties Recovered	25	6	6	-



Fraud Type	Annual Target	Cumulative Target June 2021	Actual June 2021	Variance
Overall	100	25	13	(12)

The team has an annual target to identify savings from frauds investigated or prevented to the value of **£2.75m** (excluding notional housing savings). Details of savings identified to date are:

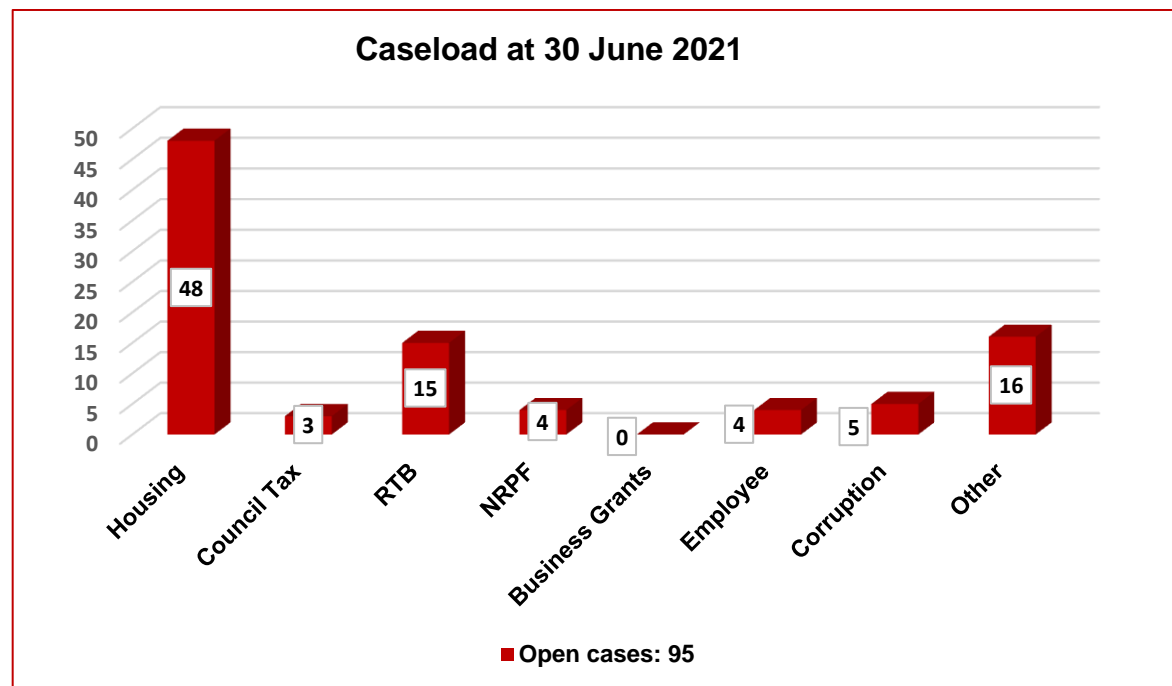
**Table 7: Savings Identified as at 30 June 2021**

	Fraud Detection		Fraud Prevention		Total (£)
	Saved for LBE (£)	Saved for gov.uk (£)	Saved for LBE (£)	Saved for gov.uk (£)	
Housing Benefit (DWP)	-	16,395	-	-	16,395
Council Tax: Reduction Scheme	8,116	-	-	-	8,116
Benefit Penalties	-	-	-	-	-
CT Single Person Discount	823	-	-	-	823
Business Rates (value of new invoices raised)	24,251	-	-	-	24,251
NRPF: Nil cases @ £17.2k per case cancelled	-	-	-	-	-
NRPF: value of support reduced	-	-	-	-	-
RTB: value of discounts refused (0 in total)	-	-	-	-	-
NFI: HB overpayments	20,800	-	-	-	20,800
NFI: Pension overpayments	42,397	-	-	-	42,397
	<b>96,387</b>	<b>16,395</b>	-	-	<b>112,782</b>
<b>Council properties recovered: 7</b> (rebuild value of £150k per property)	-	-	1,050,000	-	1,050,000
<b>TA / PSL / HA properties recovered: 6</b> (annual average cost of £2.5k per property)	-	-	15,000	-	15,000
<b>TOTAL</b>	<b>96,387</b>	<b>16,395</b>	<b>1,065,000</b>	-	<b>1,177,782</b>

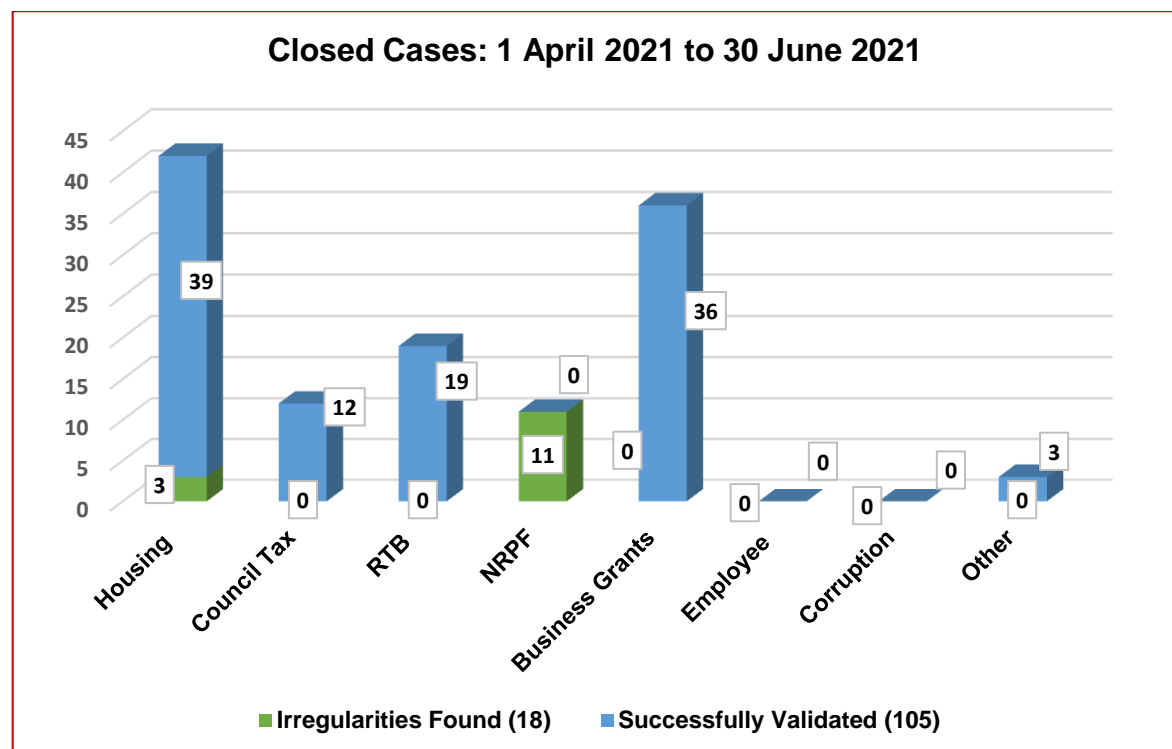
## Counter Fraud Caseload

The current caseload is summarised in the following charts:

**Chart 4: Counter Fraud Caseload at 30 June 2021**



**Chart 5: Counter Fraud Closed Cases at 30 June 2021**



Definitions of irregularities are given in the following table:

**Table 8: Definitions of Counter Fraud Irregularities**

Area	Definition
Housing	Property recovered
Council Tax	Overpayment raised, or financial penalty imposed
Right to Buy	Application cancelled
NRPF	Application cancelled or level of support reduced
Direct Payments	Overpayment raised
Employee	Disciplinary action resulted
Housing Allocations	Removed from the list or reduced property size needs

### **Public Finance Awards 2021**

A joint submission with the Waltham Forest Anti- Fraud Team has been shortlisted in the Outstanding Fraud Detection and Recovery category of the Public Finance Awards 2021. The winners will be announced on 28 September 2021.

## Appendix A: 2021/22 Audit Plan Status

Department	Audit	Audit Status
<b>CR01 Budget Management</b>		
Resources	Key financial processes: Pensions - fund/payroll contributions	Not Started
Resources	Key financial processes: Capital Budget Management	Not Started
Resources	Transformation Projects	Not Started
Resources	Key financial processes: Revenue Budgeting and Forecasting	Not Started
Resources	Key financial processes: Financial Management of the Housing Revenue Account	Not Started
People	Community Equipment Services	Not Started
Place	Grounds Maintenance	Not Started
<b>CR02 Failure to Maximise Income</b>		
Cross Cutting	Test and Trace Grant 20-21	Not Started
Cross Cutting	S31 Community Testing Grant	Not Started
Cross Cutting	Contain Outbreak Management Fund (COMF)	Not Started
Cross Cutting	Green Homes Grant	Not Started
People	Bus Service Operators Grant (BSOG) Certification	Not Started
People	Supporting Families Grant Certification - May	Complete
People	Supporting Families Grant Certification - June	Complete
People	Supporting Families Grant Certification - July	Not Started
People	Supporting Families Grant Certification - Aug	Not Started
People	Supporting Families Grant Certification - Sept	Not Started
People	Supporting Families Grant Certification - Oct	Not Started
People	Supporting Families Grant Certification - Nov	Not Started
People	Supporting Families Grant Certification - Dec	Not Started
People	Supporting Families Grant Certification - Jan	Not Started
People	Supporting Families Grant Certification - Feb	Not Started
Place	BEGIN Grant - 1	Planning
Place	BEGIN Grant - 2	Not Started
Place	Waste Collection Services	Planning
Place	Community Infrastructure Levy	Planning
LATC	Customer Services	Planning
<b>CR03 Fraud/Corruption</b>		
Chief Executives	Counter Fraud	Not Started
Chief Executives	Members' Ethics	Not Started
Chief Executives	Ethical Standards	Not Started
Place	Planning	Not Started

Department	Audit	Audit Status
<b>CR04 Information Governance</b>		
Cross Cutting	Leavers	Not Started
Cross Cutting	DWP Revised Memorandum of Understanding 20-21	Planning
Cross Cutting	Local Government Transparency Code	Planning
Cross Cutting	Handling of Members' Post	Complete
Resources	Digital Services: Cyber Security	Not Started
<b>CR05 Duty of Care</b>		
Cross Cutting	Equalities	Not Started
Resources	Web content Accessibility Guidelines 2.1 (WCAG 2.1)	Not Started
People	Primary Behaviour Support Service	Planning
People	Secondary Behaviour Support Service	Planning
People	Bridgewood House	Not Started
People	SEN Commissioning	Not Started
People	Adoption	Cancelled
People	Deprivation of Liberty Safeguards	Not Started
People	Looked After Children - Financial Control	Not Started
<b>CR06 Customer Demand</b>		
Place	Homelessness	Not Started
<b>CR07 Loss of IT</b>		
Resources	Digital Services: Contract Management	Not Started
<b>CR08 Business Continuity</b>		
Cross Cutting	Board Reporting	Not Started
Cross Cutting	Use of Spreadsheets	Not Started
<b>CR09A Coronavirus</b>		
Cross Cutting	Lessons Learned from the Pandemic	Not Started
<b>CR10 Health &amp; Safety</b>		
Cross Cutting	Security Panel	Not Started
<b>CR11 Housing</b>		
Place	Capital Works and Building Control	Not Started
Place	Housing Compliance - Safety Checks and Management of Lift Maintenance	Not Started
Place	Housing Repairs and Maintenance	Not Started
Place	Social Housing Whitepaper	Not Started
LATC	Enfield Let	Not Started
<b>CR12 Major Capital Projects</b>		
Place	Meridian Water – Contract Management	Not Started
Place	Meridian Water - Supply Chain Risks	Not Started
<b>CR13 Supply Chain/Contract Management</b>		

Department	Audit	Audit Status
Resources	Procurement Social Value	Not Started
<b>CR14 Trading Companies</b>		
Chief Executives	Energetik	Not Started
Chief Executives	Montagu LLP	Not Started
<b>CR15 Staffing</b>		
Cross Cutting	Culture	Not Started
Chief Executives	Organisational Development	Not Started
<b>CR16 Financial Management</b>		
Cross Cutting	LATC & Financial Governance Review	Draft Report Issued
<b>CR17 Tax</b>		
No audits identified under this corporate risk		
<b>CR18 Civil Unrest</b>		
No audits identified under this corporate risk		
<b>CR19 Climate Change</b>		
Place	Salix Programme	Not Started
<b>Other</b>		
Chief Executives	Mayor's Accounts	Not Started
People	Bush Hill Park Primary School	Not Started
People	Schools Physical Verification Testing from 2020-21	Not Started
People	St. Paul's CE Primary School	Fieldwork in progress
People	De Bohun Primary	Not Started
People	Prince of Wales Primary	Not Started
People	St Michael at Bowes CE Primary	Fieldwork in progress
People	Eldon Primary	Not Started
People	Chase Side Primary School	Fieldwork in progress
People	Firs Farm Primary	Not Started
People	St Andrew's Southgate CE Primary School	Fieldwork in progress
People	Oakthorpe Primary	Fieldwork in progress
People	St Anne's School for Girls	Not Started

## Appendix B: Planning Enforcement

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
1	<p><b>Out-of-date Policies</b></p> <p>The Council's Planning Enforcement Policy (the Policy) was last approved in 2005. We understand from discussions with management that the Policy was written when Planning Enforcement was part of the Regulatory Enforcement team; this means it does not fully cover the team's current activities within Planning.</p> <p>A replacement Policy (<i>Amended LBE draft Planning Enforcement Policy 2019-05-10.docx</i>) was drafted in 2015 and sent for public consultation. However, it is awaiting final approval.</p> <p>We have also noted the following:</p> <ul style="list-style-type: none"> <li>The Policy needs to be reviewed to ensure it aligns with applicable national guidelines, for example, the National Planning Policy Framework. Guidance should also be included on the declaration of potential conflicts of interest.</li> <li>The Policy should also be regularly reviewed to ensure it remains up-to-</li> </ul>	HIGH	<p>1) We will review the Planning Enforcement Policy (the Policy) drafted in 2015 and ensure it is compliant with other internal procedures including the Planning Enforcement Customer Service Standards and other applicable legislation.</p> <p>2) We will ensure the Policy is formally approved and circulated to all relevant officers. A PDF version will be created, and all old versions will be removed from Council systems.</p> <p>3) We will ensure version control is implemented on the document, including the preparer, reviewer, date of review and the next review date.</p>	31 July 2021	<p>1) Completed</p> <p>2) Completed</p> <p>3) Completed</p> <p>4) Completed</p>

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>date with central guidance.</p> <ul style="list-style-type: none"> <li>The Planning Enforcement Customer Service Standards should also be reviewed alongside the Policy update to ensure they are consistent and accurately reflect current processes.</li> <li>We also noted that new joiners to Planning Enforcement have been provided with a variety of key documents to read. However, this pack currently includes the draft Policy instead of the actual Policy that is in force.</li> </ul>		4) We will develop an Enforcement Development Plan.		
2	<p><b>Senior officer escalation and service oversight</b></p> <p>We would expect a clear governance process to be in place which covers operational activities of the team, and an escalation route to senior officers, for example, regarding volume of open cases, issues and action plans, and key performance indicator (KPI) results.</p> <p>The Planning Enforcement team hold regular meetings for officers to provide updates on progression of their cases. However, the team has not established a process for escalation of cases upward from the team leader.</p>	HIGH	<p>1) We will review our governance processes to ensure there is a clearly defined escalation route to senior officers.</p> <p>2) We will review our current management information to ensure that the KPI results are fit for purpose, correct and give adequate oversight to assess performance of the Planning Enforcement Service and take remedial action where needed.</p>	30 Sept 2021	<p>1) In progress</p> <p>2) In progress</p> <p>3) In progress</p>



REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>The Executive Director Place provided an example of quarterly KPI reporting received. An example has been attached in <b>Appendix 1</b>. However, the report does not capture information such as: the volume of complaints, progression of cases or the volume outstanding cases.</p> <p>The source data should also be reviewed to ensure it is correct: a positive performance is reported in the KPI pack, but our review of cases has noted that 456 of the 671 cases (68%) from 1 April 2020 are still open; it is unclear how this aligns to performance reported.</p>		3) We will review our current process for performance management across Planning.		
3	<p><b>iDoX system limitations</b></p> <p>The Council uses the iDoX system to log and track planning enforcement cases. Each case is given a unique reference number and is assigned to an officer.</p> <p>However, the system does not provide officers with the information needed to ensure cases are dealt with efficiently. This has been flagged to us one of the root causes for the volume of unresolved cases and delays. For example:</p> <ul style="list-style-type: none"> <li>The system does not send a notification to officers when cases are</li> </ul>	HIGH	<p>1) We will review the end-to-end process and establish which stages must be mandated. We will update our procedure notes accordingly.</p> <p>2) To review any reported non-working functionality captured as Incident on Digital Services Service Desk and address with Supplier through Supplier Engagement</p> <p>3) Already requested changes in</p>	<p><b>1, 4</b> 30 Sept 2021</p> <p><b>2,3,5</b> 31 Oct 2021</p>	1) – 5) In progress

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>assigned to them. The Planning Enforcement officers rely on the Support team to book time in their diary.</p> <ul style="list-style-type: none"> <li>• The system does not auto-generate reminders of target dates; officers must manually record these.</li> <li>• The full original query from the complainant is logged on the complaints system but it is not transposed in full onto iDoX; only the Support teams summary notes are recorded on iDoX.</li> <li>• The system has a notepad feature where officers add case details. This is a free flow text box and does not have an audit trail function (i.e. to see who or when case details were edited).</li> <li>• The system does not easily allow users to see the status of the case or the next steps. This relies on the quality of the information that the officers have included in the notepad section.</li> <li>• The system does not restrict moving onto the next stage without completing mandatory tasks (for example, attaching pictures to evidence a site visit before</li> </ul>		<p>functionality or new requests to be captured and provided to Supplier for response into whether can be done now within contract or whether on product roadmap to feedback to service for review</p> <p>4) Prioritised list of changes/requests to be assessed and requirements drawn up and provided to Digital Services for Pipeline Review</p> <p>5) Requirements to be taken into Digital Services Pipeline</p>		

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>recommending a conclusion to the case).</p> <ul style="list-style-type: none"> <li>The system does not automatically reassign tasks. For example, once an officer feels a case is complete, manual reminders are needed to be made to team leaders to approve the closure of the case.</li> <li>There is a section on the system for documents to be included in relation to the case, but this is not mandatory. This means some communication with complainants could be missed.</li> </ul>				
4	<p><b>Complaints processes – testing exceptions</b></p> <p>The Planning enforcement team manage ‘requests to investigate’ whether a breach of planning has taken place, and they also respond in the same way as the rest of the organisation to Corporate Complaints, MEQs, SARs and FOIs.</p> <p>Enquiries and/or complaints can be received online, through email, or by letter; they are all logged on the CRM complaints system and allocated a reference number: ‘COM xxxx’. Enquiries from Councillors and MPs are logged via the MEQ team and each enquiry is given</p>	HIGH	<p>1) We will review the specific cases and ensure they are logged on CRM and iDoX and are progressed.</p> <p>2) We will remind officers that all cases should be logged on CRM and iDoX and processed in line with our documented processes.</p> <p>3) We will charge the language used internally around ‘requests to investigate’ and ‘complaints’ to provide clarity both internally and to the</p>	30 June 2021	<p>1) Completed</p> <p>2) Completed</p> <p>3) Completed</p>

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>a reference number: 'MEQ xxxx'.</p> <p>All COMs and MEQs are assigned an individual or department to progress and all complaints should be addressed within 20 working days. We reviewed five individual instances allocated to the planning enforcement team to progress and found:</p> <ul style="list-style-type: none"> <li>• COM-15194 is significantly overdue. It was raised in October 2020. The complaint has been allocated to various officers, including the officer the complaint regards.</li> <li>• COM-16000 is also significantly overdue. It was raised in September 2020. It was also allocated to the officer the complaint was regarding. At the time of audit, there was no evidence of a response being issued. We understand that this was formally replied to in February 2021 offering compensation.</li> <li>• MEQ 26803 is one of several e-mails regarding this case. The formal reply to this MEQ was 6 days past the target date. There is also an open</li> </ul>		public.		

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>case for the related property dating back to 2019 (ENF/19/0687) but the case notes do not reference that there was an MEQ. Since the MEQ, the case has progressed and has been recommended for closure. A closure letter was sent on 26 February 2021.</p> <ul style="list-style-type: none"> <li>In one of five cases, there is no evidence of the case being logged as a complaint or an MEQ. A Councillor has sent several e-mails relating to the site, 1a Old Park Ridings, but none of these have been logged on the CRM system. The Planning Enforcement team have explained that this is because it relates to an open case (ENF/20/0880) and is therefore being dealt with as a 'request to investigate' rather than a formal complaint. They also noted that they are concerned with Freedom of Information issues with case notes therefore information regarding how the Council was responding to these emails has not been retained on iDox.</li> </ul>				

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>This case is recognised as a complex case and has been ongoing for over a year however the level of senior management involvement is unclear. A notice was issued in December 2020, with the outcome of this still to be determined and the Councillor was updated on 23 December 2020.</p> <ul style="list-style-type: none"> <li>An e-mail was received by the Chief Executive on 24 November 2020 in relation to 11 Seaforth Gardens. There is no evidence that this has been logged as either a complaint or an MEQ, however the management team have explained that this is being responded to as a 'request to investigate' We have also not been provided with evidence that the complainant has been responded to.</li> </ul> <p>The site has an open case related to it (ENF/20/0004) and through review of these case notes, we have noted that there has been a racial issue when visiting this site. It is unclear if this has been escalated.</p> <p>We are also aware that:</p> <ul style="list-style-type: none"> <li>a separate complaint has</li> </ul>				

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>been logged for the property by another individual.</p> <ul style="list-style-type: none"> <li>- Another Councillor has asked to be kept informed on progress. However, this Councillor's details have not been included in the contact details on iDox and therefore it is unclear whether he will be updated with progress or not.</li> </ul>				
5	<p><b>Operational service monitoring</b></p> <p>The Team Manager meets with officers every week to discuss case progression and any operational matters. However, caseloads, by officer, are not formally monitored and there are no team objectives or KPIs relating to this. Management have confirmed this information is not easily extracted from iDoX, thus not used for monitoring, however it should be possible to be extracted.</p> <p>We have produced an analysis of cases, by case officer, in <b>Appendix 2</b>. This analysis indicates:</p> <ul style="list-style-type: none"> <li>• The Council logged 671 planning enforcement cases between 1 April</li> </ul>	HIGH	<ol style="list-style-type: none"> <li>1) We will introduce operational objectives and KPIs and use data from iDoX to drive our discussions and improve performance.</li> <li>2) We will review the process for capturing information presented to senior management, to ensure it is consistent with that at used at the operational level and accurately reflects the performance of all key elements of planning enforcement.</li> </ol>	30 Sept 2021	<ol style="list-style-type: none"> <li>1) In progress</li> <li>2) In progress</li> </ol>

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>2020 and 14 January 2021 however 456 remain open (68%).</p> <ul style="list-style-type: none"> <li>The Council's target is to take required enforcement action within 8 weeks of receipt of the initial correspondence from complainant. Based on the data provided, 383 of 594 cases were not closed within 8 weeks of being logged (64% of cases).</li> <li>The allocation of cases is not consistent across the team, and a large volume of cases are assigned to the Team Manager to action.</li> </ul> <p>The level of detail shown in our analysis is not monitored at team meetings and is also not reflected in the information reported to senior officers (<b>Finding 2</b>). Current reporting to senior management does not appear to be giving the full picture of the performance of planning enforcement service.</p>				
6	<p><b>Incomplete procedure notes</b></p> <p>The Council has flowcharts which document the required steps for case officers to follow once a case is created (including both pre and post-enforcement actions),</p>	MEDIUM	1) We will update our flow charts for the points noted.	30 Sept 2021	In progress



REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>We reviewed the flowcharts and noted the following:</p> <ul style="list-style-type: none"> <li>• The role of the Support team in the initial set up of cases is not included.</li> <li>• Key required communication points to the complainant are not defined.</li> <li>• The process for closing a case is not included.</li> <li>• There is no clear guidance on what case notes should include and the expected quality of the case notes.</li> <li>• There is no clear guidance to show that the COVID-19 Risk Assessment needs to be performed prior to site visits.</li> <li>• There is no clear guidance on declaring any potential conflicts of interest.</li> <li>• Version control is not used i.e. who reviewed and approved the document (and when).</li> <li>• It should also be ensured that the flowcharts align with the Planning Enforcement Customer Charter.</li> </ul>				
7	<p><b>Corporate Complaints process</b></p> <p>The Council has a Corporate Complaints Policy (July 2019) with supporting</p>	<b>MEDIUM</b>	1) We will ensure that process documents are updated to reflect the points raised and perform an assessment to	30 Sept 2021	In progress

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>process notes. These policies and procedures are applicable to all services in the Council.</p> <p>These are currently being reviewed; we noted the following areas to consider as part of this review exercise so that that process is clear to all services:</p> <ul style="list-style-type: none"> <li>• How to categorise e-mails received i.e. as a complaint, MEQ or within case notes.</li> <li>• Roles and responsibilities for logging e-mails on the relevant system.</li> <li>• Ensuring cases are not assigned to officers who are being complained about to prevent conflicts and maintain independence.</li> <li>• Ensuring the requirements for declaring potential conflicts of interest is clear.</li> <li>• Clarity and communication on response deadlines and responsibilities.</li> <li>• Ensuring that there is a clear log of key correspondence relating to all grievances.</li> <li>• Clarifying when the Legal team should be consulted.</li> <li>• Introducing a clear process of capturing lessons learnt.</li> </ul>		<p>ensure they meet the needs of the service.</p>		

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<ul style="list-style-type: none"> <li>Ensuring there is a process for monitoring actions noted.</li> <li>Ensuring management information to show all open complaints and responses is generated.</li> </ul> <p>The Planning Enforcement team should also ensure that the above points are reviewed and implemented as part of their processes. For example, ensuring that the team are clear on what process to follow for the different categories (e.g. formal complaint, MEQ or request for information). Also, that they know what should and shouldn't be allocated to them to progress.</p> <p><i>(Note: The Corporate Complaints Policy does not deal with the planning process. There is a separate appeal process in place for formal appeals)</i></p>				
8	<p><b>Cases – testing exceptions</b></p> <p>Cases are 'requests to investigate' that have been received by the Council and are assigned an individual case reference with a prefix 'ENF'. We tested 25 cases to ensure that policies and procedures are being followed. We found</p>	MEDIUM	<p>1) We will re-iterate to officers the importance meeting KPIs, regularly updating the complainant and evidencing actions on iDox.</p> <p>2) We will review all open cases,</p>	30 Sept 2021	<p>1) Completed</p> <p>2) In progress</p>

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>the following:</p> <ul style="list-style-type: none"> <li>The Customer Service Charter states that the Council will send an email or letter within three working days of receipt of the enquiry. There was no evidence of this for three of 25 cases.</li> <li>In one of 25 cases, the date received per iDoX was incorrect as the Council was informed by the complainant a month earlier. Thus, the target response times per iDoX are incorrect.</li> <li>One of the 25 cases was incorrectly assigned as Priority 1, so the system target dates were incorrect.</li> <li>Timescales are set for when site visits should be performed: 1 working day for Priority 1; and 10 days for Priority 2 and 3: <ul style="list-style-type: none"> <li>Three of 25 have not been visited and there is no narrative on the case notes to explain the reasoning for this;</li> <li>Two of 25 have not been visited due to COVID-19;</li> <li>One of 25 had a visit date included on iDoX, however no evidence was attached to show that the visit took place.</li> </ul> </li> </ul>		specifically those that are open past their target response dates or where a visit has not yet been made.		

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<ul style="list-style-type: none"> <li>Two of 25 had an inconsistency between the visit date noted on iDoX and the documents attached in iDoX regarding the visit.</li> <li>Four of 25 were visited late;</li> <li>Five of 25 were originally not visited due to COVID-19, however they have now been visited and case is closed.</li> <li>A COVID-19 Risk Assessment flow chart must be followed by officers for visits during periods of restrictions. In 2 of 25 cases, it was not evidenced that this flow chart had been followed.</li> <li>20 of 25 cases were not closed within 8 weeks. Of these 20 open cases, 11 are still open.</li> <li>In 10 cases, there is no evidence to show regular updates were provided to complainants.</li> </ul>				
9	<p><b>Cases on hold</b></p> <p>There are 87 cases (13%) which the team have not been able to progress due to COVID-19 restrictions. These cases have been reassigned from the original case officer to a dummy officer account called the 'Rogue Landlord Project'. This acts as a holding place for cases that</p>	<b>MEDIUM</b>	<p>1) We will put a note on our website to inform the public of delays and also send out a blanket correspondence to all cases that are on 'hold'.</p> <p>2) We will implement an action plan for processing these</p>	30 June 2021	<p>1) In progress</p> <p>2) In progress</p>

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	cannot be actioned due to COVID-19. Other Councils have included notices on their websites regarding the implications on cases and complaints as a result of national COVID-19 restrictions. However, Enfield has not informed complainants directly or indirectly that their cases are not currently being actioned. Enfield also does not have a clear plan on how these will be addressed, along with the other cases, when COVID-19 restrictions begin to ease.		cases once restrictions are eased.		
10	<b>Out-of-date website details</b> We reviewed the Council's website in relation to planning enforcement and have noted the following: <ul style="list-style-type: none"> <li>The public are instructed to email envirocrime@enfield.gov.uk'. This is incorrect and should be changed to: planning.enforcement@enfield.gov.uk.</li> <li>We compared the Council's website to five other Councils and found every other authority has included their Planning Enforcement Policy</li> </ul>	MEDIUM	1) We will review our website and update the e-mail address, upload the approved documents, add more information on the Service and include a statement on the impact of COVID-19.	30 June 2021	In progress

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>and Customer Service Charter, or equivalent, on the website. We understand that Enfield does have these documents and will make them available to the public on request.</p> <ul style="list-style-type: none"> <li>Other websites also include more extensive details around planning enforcement. For example: the team's role, the process the Council follows, possible decision options and which cases take priority.</li> </ul>				

## Appendix C: Legal Services

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
1	<p><b>Retention of High Valued Contracts and Agreements</b></p> <p><b>a. Sealed Contracts and Agreements</b></p> <p>Legal Services is required to seal and retain copies of all contracts over £500k. Although the original contract should be held in the Council's vault, we would expect scanned copies to be accessible as part of the service files. We selected a sample of 10 contracts to confirm that they were available. The following exceptions were identified:</p> <ul style="list-style-type: none"> <li>In six instances, a signed copy of the contract was not seen. Due to Covid-19 restrictions, we were unable to confirm whether original copies were held in the vault.</li> <li>In one instance, the copy of the contract provided (valued £18m) had been signed by the contractor but had not been signed by an Enfield representative and did not demonstrate that the contract had</li> </ul>	<b>HIGH</b>	<p>We will:</p> <ul style="list-style-type: none"> <li>a) Ensure that signed and sealed (where appropriate) contracts are in place for all contracted services identified during testing.</li> <li>b) Ensure that all live contracts are scanned onto IKEN, or another suitable central electronic system such as SharePoint, so that a copy is available to all relevant staff.</li> <li>c) Develop a single electronic register and populate this to include details of live sealed contracts and those over the EU threshold.</li> </ul>	<ul style="list-style-type: none"> <li>a) 30 June 2021</li> <li>b) 31 July 2021</li> <li>c) Implemented by time of issue of report</li> </ul>	<ul style="list-style-type: none"> <li>a) Complete</li> <li>b) Complete</li> <li>c) Completed</li> </ul>



REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>been sealed.</p> <ul style="list-style-type: none"> <li>In another instance, the contract held (valued £58m) was only agreed and signed in February 2017, despite the contract commencing in October 2015.</li> <li>Four of the 10 contracts could not be found on IKEN, the service's case management system. An IKEN matter number was not provided for a further two contracts, therefore, we unable to verify a record was on the system.</li> </ul> <p>In addition, we were advised that an electronic register had been produced to detail the contracts that required sealing during the Covid-19 restrictions. However, contracts sealed prior to the restrictions were only recorded in the manual sealing book, and therefore a full electronic register was not held.</p> <p><b>b. Contracts and Agreements over the EU Threshold</b></p> <p>The Council's Procurement Manual states that the procurement process for contracts over the EU threshold (£189k)</p>		<p>This register will contain key information relating to the contract and the sealing process undertaken where applicable. The register will also include a London Tenders Portal reference number for each contract to ensure a complete audit trail is in place.</p>		

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>is managed by Procurement Services, with cooperation from Legal Services as appropriate. We would therefore expect that copies of these contracts would be retained by Legal Services. We noted that a separate electronic register for completed contracts was maintained.</p> <p>From a sample of five contracts selected from the London Tenders Portal (LTP), the following exceptions were identified:</p> <ul style="list-style-type: none"> <li>• In two instances, signed copies of the contracts were not seen. In one of these instances, we were advised that the contract was yet to be agreed. The Head of Service advised that the provider was delivering the service, but the contract had not been completed and signed.</li> <li>• Four of the contracts were not recorded on the contract register. The details of one of the contracts that had been entered onto the electronic register were found to be incorrect as the name of the contractor differed to the name recorded on the contract.</li> </ul> <p><b>c. Electronic Contract Registers</b></p>				

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	Reviews of both electronic registers held by Legal Services highlighted that neither contained all expected contract information, including value and start and end dates. In addition, we found no unique reference number linking the contracts to the LTP. We were therefore unable to verify a complete list of all live contracts was held.				
2	<p><b>E-payment Procedures</b></p> <p>E-payments are processed for 'one off' payments to suppliers who are not approved vendors. These payments are requested and approved through the MI Portal system.</p> <p>We were advised that new procedures, including a change in responsibility for requesting e-payments, was implemented in February 2021. E-payments are now requested by the Legal Support Officer and overseen by the Practice Manager. However, we noted that the Quality Manual had not been updated to reflect these changes in procedures.</p> <p>In addition, we noted that Legal Services did not maintain a record of its authorised e-payment requesters. We were</p>	MEDIUM	<ul style="list-style-type: none"> <li>– The e-payment procedures in the Quality Manual have been updated and circulated to all relevant staff.</li> <li>– An authorised list of e-payment requesters has been completed. This list will be regularly reviewed and updated as and when circumstances change. Accounts Payable will be notified of any changes to the approved requester list.</li> </ul>	Implemented by time of issue of report	Completed

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	therefore unable to determine whether the authority to request e-payments had been removed for those individuals who no longer had this responsibility.				
3	<p><b>Procurement Guidance</b></p> <p>The Council's Constitution and the Council's Procurement Manual each outline retention requirements for contracts and agreements. We examined both and noted the following:</p> <ul style="list-style-type: none"> <li>Part 4, section 14 of the Constitution, states that contracts over £250k are to be sealed by Legal Services. However, the Procurement Manual states sealing of contracts over £500k only. Confirmation was received that this was a typing error that was not corrected prior to the amended constitution being published.</li> <li>The Procurement Manual stated that Legal Services should hold copies of contracts over £100k, however, we were advised that this requirement had been changed in the Constitution</li> </ul>	MEDIUM	<p>a) Legal Services will review and confirm the contract sealing limit and update the Council's Constitution (Part 4) accordingly. All contracts over the verified amount will be sealed in accordance with the Constitution.</p> <p>b) The Council's Procurement Manual will be reviewed to ensure it is consistent with the Council's Constitution (Part 4) and updated as necessary.</p> <p>c) In conjunction with Legal Services, the Procurement Manual</p>	<p>a) 31 May 2021</p> <p>b) 31 May 2021</p> <p>c) Implemented by time of issue of report</p>	<p>a) Completed</p> <p>b) Completed</p> <p>c) Completed</p>

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>in July 2020 and therefore the documents were not consistent.</p> <ul style="list-style-type: none"> <li>Legal Services advised that they should be involved in the procurement process for all contracts over the EU threshold. However, this is not explicitly stated in the Procurement Manual.</li> </ul>		has been updated so that the requirements for Legal Services involvement is clear to all relevant parties.		
4	<p><b>Lexcel Compliance</b></p> <p>Testing was undertaken to confirm whether Legal Services is compliant, where appropriate, with Lexcel standards. We noted that several documents examined during testing, such as the Service's Scheme of Delegations (SoDs), the Business Continuity Plan (BCP), Quality Manual and staffing structure refer to a Head of Service. These documents need to be updated in line with the new Legal Service organisation that took effect on 1 April 2021.</p>	LOW	We will ensure that all documents that refer to the Legal Head of Service are updated to reflect changes from 1 April 2021. The changes made will be approved by the Director of Law and Governance and the updated documents will be held centrally for the team to access.	31 July 2021	Completed
5	<p><b>GDPR Compliance</b></p> <p>We were advised by the Council's Data Protection Officer (DPO) that a data workbook had not been completed for IKEN, the Service's case management</p>	LOW	A workbook for the IKEN Business system will be completed, as a part of the Council's Article 30	30 June 2021	In progress

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	system.		declaration, and submitted to the Council's DPO.		
6	<p><b>Quality Group Meetings</b></p> <p>The Legal Service's management team is responsible for adherence to the service policies and procedures. We were advised that quarterly Quality Group meetings were held to discuss Lexcel and audit, but these had since stopped due to Covid-19 restrictions.</p> <p>We were unable to confirm that these meetings were held as no records had been provided. In addition, management was unclear when these meetings would resume.</p> <p>Also, we were not made aware that the service uses any key performance indicators (KPIs) to monitor performance.</p>	LOW	<p>The Quality Group meetings have been scheduled to restart from May 2021 and will now be held monthly.</p> <p>These meetings will be minuted for monitoring purposes, to ensure that any improvements required are identified and agreed actions tracked. The use of service KPIs will enhance this process.</p>	Implemented by time of issue of report	Completed

## Appendix D: Recruitment

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
1	<p><b>Transfer of Undertakings (Protection of Employment)</b></p> <p>Following agreement to in-source the cleaning service, over 100 staff were transferred to an inhouse arrangement via the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). This was effective from 1 April 2020.</p> <p>It was incumbent on the Council that the transfer process was as seamless as possible. Enfield Norse was responsible for providing employee liability information at least 28 days before the date of transfer. Once this information was provided, the Council via HR, had the responsibility of ensuring that all relevant documents were sent to the affected TUPE staff for completion and that all new employees were set up on the HR system by 1 April 2020.</p> <p>Whilst legacy issues and the Covid-19 pandemic has restricted capacity for staff to be met face to face, HR Business Support confirmed the following</p>	<b>HIGH</b>	<p>a) We will work with service managers and supervisors to ensure that all relevant paperwork is obtained and checked.</p> <p>b) Continued non-compliance will result in appropriate actions being taken in line with current Council policy.</p>	30 June 2021	<p>Due date revised to 30 September 2021</p> <p>a) In progress</p> <p>b) In progress</p>

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>information was outstanding as at 5 February 2021:</p> <ul style="list-style-type: none"> <li>• In two cases, required DBS checks had not been completed;</li> <li>• In two cases, vetting checks required for cleaners to work in the CCTV area were not completed;</li> <li>• In five cases, checks to confirm the right to work in the UK were still outstanding;</li> <li>• In 28 cases, staff had not signed the Council Code of Conduct;</li> <li>• In 40 cases, staff had not declared whether they had any secondary employment;</li> <li>• In 59 cases, a fitness to work medical certification had not been completed.</li> </ul>				
2	<p><b>Records &amp; Documents - i-Grasp</b></p> <p>i-Grasp is the Council's IT application used for recruitment. It is used by the HR recruitment team, recruiting managers and internal and external applicants.</p> <p>i-Grasp offers only basic functionality and does not provide the necessary level of reporting and management information.</p> <p>During audit testing, we observed, that retrieving information from the application</p>	HIGH	<p>a) In the short term we will explore the options for extending the i-Grasp contract whilst work is carried out with Digital Services to ensure that an appropriate interim solution is put in place;</p> <p>b) We will ensure appropriate engagement takes place with Digital Services to investigate, procure and</p>	<p>a) Implemented by time of issue of report</p> <p>b) 31 August 2021</p>	<p>a) Completed</p> <p>b) In progress</p>



REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>was time consuming and inefficient.</p> <p>The system has been in use for approximately 15 years and the maintenance contract with the service provider ends on 31 March 2021. At the time of the audit, an alternate solution had not been agreed. We understand there is an ongoing project to replace or upgrade this and other applications in the Council. This project is estimated to take two years.</p>		<p>implement a fit for purpose application that meets the needs of the Recruitment Service. A detailed requirements analysis will be completed with Digital Services to feed into the wider SAP review projects.</p>		
3	<p><b>Monitoring &amp; Reporting- Management Information</b></p> <p>To ensure the recruitment process meets the Council's needs, it is important that service delivery is monitored at strategic and operational levels.</p> <p>Currently no Service level management reporting is in place. Also, no Service KPIs have been defined. We were advised that as i-Grasp isn't able to efficiently produce reports, attempts were made to produce the information manually. However, this proved to be time consuming and ineffective.</p> <p>Also, team managers are unable to obtain information to monitor individual staff or team performance.</p>	HIGH	<p>We will:</p> <ul style="list-style-type: none"> <li>a) Review our recruitment processes and identify and actively manage key performance indicators.</li> <li>b) Engage with the Knowledge and Insight Hub to identify effective methods of reporting recruitment performance.</li> <li>c) Ensure reporting requirements for the Service and its stakeholders are included in the specification for a replacement application (see <b>finding 2</b>).</li> </ul>	31 July 2021	<ul style="list-style-type: none"> <li>a) In progress</li> <li>b) Completed</li> <li>c) Completed</li> </ul>

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
4	<p><b>Sample Testing</b></p> <p>To confirm all appropriate checks were carried out, a random sample of 18 cases were selected for review. This included:</p> <ul style="list-style-type: none"> <li>15 successful candidates</li> <li>Three unsuccessful candidates</li> </ul> <p>The following exceptions were highlighted:</p> <p><b>Recruitment Training</b></p> <p>As stated in the Council's Recruitment Policy and in the Authority to Recruit form, it is compulsory for the recruiting manager and those officers who sit on the recruiting panel to have completed the Council's mandatory recruitment training within the last three years.</p> <p>From the sample of 15 successful candidates, we found that:</p> <ul style="list-style-type: none"> <li>In nine cases, not all members of the individual panels had completed the training.</li> <li>In two cases, we were unable to confirm whether the interview panel had completed the training as the comprehensive report from Learning</li> </ul>	MEDIUM	<p>We will ensure that:</p> <ol style="list-style-type: none"> <li>Recruiting managers take responsibility for ensuring that mandatory recruitment and selection training has been undertaken in the last three years by all members of each interview panel. This will be discussed with the Recruitment Officer and managers will be required to confirm the training has been completed. The relevant documents and Authority to Recruit Form will be updated to state this and this will be incorporated in the Recruitment &amp; Selection Policy.</li> <li>Shortlisting reports and interview notes are retained to provide transparency in the selection process.</li> <li>The information that recruiting managers are required to submit to HR at the selection stage is consistent in both the Recruitment Policy and the interview pack checklist.</li> <li>Contracts are issued to new employees by their first day of employment with the Council.</li> </ol>	<p>a-d) 31 May 2021</p> <p>e) 31 Oct 2021</p>	a) – e) Completed

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>and Development was not provided.</p> <p><b>Selection Stage</b></p> <ul style="list-style-type: none"> <li>We noted that in one case, the shortlist report was not available (Ref 6518);</li> <li>In one case the interview notes were not available; only the scores from the interview were available. This may be due to an inconsistency between the Recruitment Policy and the checklist included in the interview pack – the Recruitment Policy states interview notes must be returned to HR for the successful candidate whereas the checklist does not include this requirement.</li> </ul> <p><b>Pre- Employment Checks</b></p> <p>It is normal practice for HR Business Support Officers to verify original documents in person as part of the pre-employment checking process. We noted in one case that the HR officer had not signed to confirm that the proof of ID was verified.</p> <p>We were advised that since the COVID-19 restrictions began in March 2020, the Business Support Team have been</p>		<p>e) All new employees who have commenced employment with the Council since 23 March 2020 and whose documents have not been checked by the recruiting manager, will have their documents retrospectively verified.</p>		

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>unable to personally verify documents. Where a recruiting manager is able to physically see a new starter and can verify their documents, this is done. A list has been kept where this has not been possible. The Business Support Team will need to retrospectively verify pre-employment documents once COVID-19 restrictions are lifted.</p> <p><b>Issue of Contracts</b></p> <p>Since 6 April 2020, it has become a legal requirement for the contract of employment to be given to the employee on their first day of work at the latest. However, in two cases the contracts were issued after the employee's start date (Ref 6604 was one day late; Ref 6518 was 32 days late).</p>				
5	<p><b>Pre- Employment Checks- Apprentices</b></p> <p>The Council's Apprentice Policy, available on the intranet, was developed in August 2020. A review of this document highlighted the following:</p> <ul style="list-style-type: none"> <li>- There were no specific requirements to obtain references and to carry out safeguarding checks;</li> <li>- The roles and responsibilities of</li> </ul>	MEDIUM	<p>We will review the Apprenticeship Policy and ensure that:</p> <ul style="list-style-type: none"> <li>- The Apprentice Policy includes a requirement for pre-employment checks, specifically for references and safeguarding checks, to be undertaken in line with the Council's Recruitment Policy;</li> </ul>	31 May 2021	Completed

REF	FINDING	RISK CATEGORY	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>those involved in the apprentice recruitment process were not clearly set out;</p> <ul style="list-style-type: none"> <li>- No specific timescales within which specific recruitment steps are to be completed were stated;</li> <li>- There were no requirements to produce and report management information.</li> </ul> <p>We were advised that since November 2020, the Apprentice team has started obtaining references and carrying out safeguarding checks for apprentices. However, it is unclear whether the pre-employment checks for apprentices are consistent with the checks carried out for other Council staff.</p>		<ul style="list-style-type: none"> <li>- Procedures are developed to: <ul style="list-style-type: none"> <li>o confirm the roles and responsibilities for all relevant parties;</li> <li>o include timescales for completing checks; and</li> <li>o include the type of management information that is to be produced and the timescales for doing so;</li> </ul> </li> <li>- The authority to recruit document is fully completed by managers, especially the requirement to indicate whether safeguarding checks are required.</li> </ul>		
6	<p><b>Policies &amp; Procedures</b></p> <p>The Council's Recruitment Policy is available on the staff intranet and gives a detailed description of the recruitment process. However, there are no operational procedure notes available for the Recruitment Service.</p>	LOW	<p><b>Recruitment Policy</b></p> <ul style="list-style-type: none"> <li>a) Operational procedure notes will be developed for the Recruitment Service;</li> <li>b) This document will be reviewed regularly to take into account current work practices and will be made available to all relevant staff.</li> </ul>	30 Sept 2021	a) -b) In progress



## Appendix E: Meridian Water Procurement Strategy

NO.	FINDING	RISK	AGREED ACTION	ACTION DUE BY	UPDATE
1	<p><b>Contract Management</b></p> <p>The Contract Procedure Rules (CPRs) 4.1 requires “that ‘departments’ contracts are recorded on the Corporate Contract Register (LTP); this should include minutes of tender evaluation panels and other relevant meetings – these may need to be disclosed by law.”</p> <p>We tested 5 Meridian Water (MW) procurements for adherence to the CPRs and noted the following:</p> <ul style="list-style-type: none"> <li>- Meeting minutes from all relevant Programme Boards during the procurement process had not been uploaded on to the system as per the CPRs. However, we note that the Council was able to send us these separately</li> <li>- 1 of 5 (20%) procurement contracts tested (Meridian Water Side-Wide Security) was not uploaded to LTP until 21 January 2021 although the award</li> </ul>	<b>MEDIUM</b>	<ol style="list-style-type: none"> <li>1) We will set timeframes for uploading all documentation for Meridian Water procurements onto the London Tenders Portal (LTP) and will require written explanation for any delay. There will be a documentation review on a quarterly basis in which a sample of procurements will be tested on the LTP for completeness.</li> <li>2) We will explore procuring and implementing a Contract Management Tool which will allow effective management of all documents related to the procurements in a centralised system and will ensure that all procurements interface with one another.</li> </ol>	1 Jan 2022	<ol style="list-style-type: none"> <li>1) In progress</li> <li>2) In progress</li> </ol>

	<p>date was 12 November 2019. The contract does not have a date and is not signed by either party</p> <ul style="list-style-type: none"> <li>- 1 of 5 (20%) procurement contracts tested (Project Management Services for the Delivery of Strategic Infrastructure at Meridian Water) was not uploaded onto the Portal until 11 November 2020; the contract start date is 25 September 2020.</li> </ul>				
2	<p><b>Monitoring and Oversight</b></p> <p>We requested evidence of the service's internal monitoring of procurement arrangements for all five procurements and found:</p> <ul style="list-style-type: none"> <li>- There are trackers in place for some but not all procurements. We were provided with trackers for Rail procurements and Site-Wide procurements (primarily used for Housing Infrastructure procurements);</li> <li>- The Rail Tracker is largely incomplete with blank columns such as, estimated values and proposed procurement routes</li> <li>- The Site-Wide Procurement is also incomplete with the duration of the project for 4 of 9 (44%) procurements listed blank and the value for 2 of 9 (22%) procurements blank with no</li> </ul>	<b>MEDIUM</b>	<ol style="list-style-type: none"> <li>1) We will institute a checklist for future Meridian Water (MW) procurements to be completed by contract managers which will include a list of steps to be taken both with regards to documentation and key milestones over the duration of the procurement. This checklist will be proportionate to the value and risk of the procurement and will cover not only the procurement process but project delivery. All checklists will be held on a central drive which can be accessed by the entire MW team.</li> <li>2) We will input the checklist results on an overarching MW procurement tracker which will</li> </ol>	31 Oct 2021	<ol style="list-style-type: none"> <li>1) In progress</li> <li>2) In progress</li> </ol>



	explanation as to why this is the case.		be held centrally and accessible to all officers.		
3	<p><b>Due Diligence</b></p> <p>CPR Rule 5 states: "Where there is a high risk, financial checks may need to be carried out and appropriate procedures followed". The Procurement Manual notes: "These risks could be financial, service affecting or reputational. Risk is not always due to the size/value of the contract."</p> <p>The most common check performed is an Equifax credit check undertaken by Finance and potential suppliers are sometimes asked to submit financial information as part of evaluations. However:</p> <ul style="list-style-type: none"> <li>- There was no evidence of reputational due diligence being performed for any of the 5 procurements tested</li> <li>- - There was no evidence of ongoing due diligence, financial or otherwise over the lifecycle of the contract across any of 5 procurements tested.</li> </ul>	<b>MEDIUM</b>	We will alter the Procurement Manual to expand on the requirement to conduct supplier due diligence ensuring financial and reputational due diligence is always performed from procurement and across the lifecycle of the contract.	31 Dec 2021	In progress
4	<p><b>Programme Board ToRs</b></p> <p>There is an overarching Programme Board with 7 further Programme Boards sitting underneath. We were provided with a governance chart and we reviewed the Terms of Reference for all 8 Programme</p>	<b>MEDIUM</b>	1) A standard form for board Terms of Reference will be prepared and adopted for new boards going forward. Current Terms of Reference will be measured against this new standard and those Terms of	31 Oct 2021	<p>1) In progress</p> <p>2) In progress</p>

	<p>Boards for consistency. We noted:</p> <ul style="list-style-type: none"> <li>- The overarching Programme Board ToR notes that it is responsible "for managing all of the individual projects which form part of the Meridian Water programme." However, it was noted in our walkthroughs that the items in our procurements sample were not discussed at the Programme Board</li> <li>- The Meanwhile Board ToR only mentions ongoing monitoring of Stonehill (one of the procurements in our sample)</li> <li>- The TORs across the Programme Boards were inconsistent and did not follow a standardised template</li> <li>- 1 of 8 (13%) ToRs (the Estate Management Strategy Board) appeared to be incomplete with "etc" included in the TOR</li> <li>- 1 of 8 (13%) ToRs (the overarching Programme Board) does not mention frequency of meetings</li> <li>- 2 of 8 (25%) ToRs contradict the governance chart provided with regards to meeting frequency: the Meanwhile Board's governance chart mentions that it meets monthly but the TOR notes bi-monthly; and the Employment Board is noted as meeting monthly on the</li> </ul>		<p>Reference will be updated where appropriate</p> <p>2) We will ensure that there is consistency between our governance chart and Programme Board ToRs with regards to frequency of meetings.</p>		
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	governance chart whereas the TOR notes that meetings will take place fortnightly.				
5	<b>Policies and Procedures</b> We noted the following gaps in the CPR and Procurement Manual: <ul style="list-style-type: none"> <li>- 3 of 5 (60%) procurements tested used a third party to evaluate potential supplier's responses to the Invitation to Tender ('ITT'). There is no mention of third-party use for evaluation in the CPRs or Procurement Manual</li> <li>- 1 of 5 (20%) procurements sampled was completed on the Home England Portal with only the end process notes on LTP. Use of different portals is not noted in the CPRs or the Procurement Manual</li> <li>- 1 of 5 (20%) procurements held interviews with potential suppliers as part of the evaluation process but there is no mention of interview as part of the procurement process in the CPRs or the Procurement Manual.</li> <li>- In 1 of 5 (20%) procurements, the officer handling the procurement had left the Council and the new contact did not have access to all her files which resulted in our not receiving evidence of monitoring of the procurement arrangement.</li> </ul>	<b>MEDIUM</b>	We will update the CPRs and Procurement Manual to ensure that it reflects every stage of the procurement process, including but not limited to the following: <ul style="list-style-type: none"> <li>- Clearly defining the use of third parties and assuring that "friendly" third parties are not used by requesting they declare any conflicts of interest over the course of the procurement. We will also make reference to exceptions to use of the London Tender Portal and interviews with potential suppliers.</li> <li>- Update the Procurement Manual to reflect any operational changes that may result due to Brexit- for instance, changes in thresholds- and requirements to publish above threshold procurements on the Official Journal of the European Union ('OJEU')</li> <li>- Outline expectations for ongoing monitoring of</li> </ul>	31 Dec 2021	In progress

			<p>procurement arrangements including phase delivery meetings, meeting with the suppliers and discussions of budget monitoring</p> <ul style="list-style-type: none"> <li>- Internal file storage to ensure that relevant officers have access to all procurement documents and notes should a handover be needed.</li> </ul>		
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## Appendix F: Pre-Paid and Purchase Cards

NO.	FINDING	RISK	AGREED ACTION	ACTION DUE BY	UPDATE
1	<p><b>Purchase Cards (P Cards) – compliance/ monitoring</b></p> <p>We analysed the data in the transaction reports for the period June 2019 to November 2020.</p> <p>The key findings are:</p> <ul style="list-style-type: none"> <li>- Out of a total of 18,727 transactions, 12,465 (67%) had not been approved. The total amount of unapproved spend in relation to the 12,465 unapproved transactions was £2.5m.</li> <li>- During the period 178 cards, equating to just over one third of the cards in use, had not had a single transaction approved.</li> <li>- The report presented to us (Unreviewed/unapproved Transactions Report) showed 10 P Cards had no approver assigned to them. The report showed the total spend for these P Cards during this six-month period was approximately £25k. However, we were subsequently informed that only one of</li> </ul>	<b>HIGH</b>	<p>a) Exchequer Services will issue a reminder to all P Card holders and approvers of the P Card procedures that must be complied with, including uploading receipts. This reminder will emphasize that continued non-compliance will result in action to reduce limits, suspend or cancel the card and may also constitute misconduct under the Employee Code of Conduct in failing to observe policies and procedures.</p> <p>b) Specifically, Exchequer services will:</p> <ul style="list-style-type: none"> <li>- Immediately assign an approver to the P Card identified where no approver was assigned.</li> <li>- Review the parameters used in the preparation of the Unreviewed/unapproved</li> </ul>	31 May 2021	<p>a) Completed</p> <p>b) Completed</p> <p>c) Completed and ongoing monthly</p> <p>d) Completed.</p>

NO.	FINDING	RISK	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>these cards did not have an approver assigned to them. Therefore, the report being used to monitor these transactions was incorrect.</p> <ul style="list-style-type: none"> <li>- Out of the total of 18,727 transactions, 5,940 (approximately £1m) transactions (32%) had not been reviewed by the card holders, contrary to the Purchase Card Guide and Policy.</li> <li>- During the period tested, 78 (15%) P Card holders had not reviewed a single transaction. These unreviewed transactions totalled £130k.</li> <li>- 7,819 (42%) of the total 18,727 transactions during this six-month period had no receipt uploaded to evidence spend. 15% of these related to VAT-able spend. The P Card policy states that 'receipts must be retained for ALL purchases for 7 years'.</li> <li>- We found 29 individual transactions over £10k of which: <ul style="list-style-type: none"> <li>- 8 (28%) had not been reviewed by the P Card holder;</li> <li>- 27 (93%) had not been approved by the Approver; and</li> <li>- 6 (21%) had no receipt to evidence spend.</li> </ul> </li> </ul>		<p>Transactions Report to ensure all relevant information is captured correctly.</p> <ul style="list-style-type: none"> <li>- Contact the 78 P Card holders and the approvers for the 177 cards who had not reviewed or approved a single P Card transaction within the 18-month period and issue notice that the card will be cancelled if future transactions are not approved.</li> </ul> <p>c) Exchequer Services will use a risk-based approach to monitor P Card usage to identify non-compliance with P Card procedures, specifically where:</p> <ul style="list-style-type: none"> <li>- transactions are not reviewed or approved.</li> <li>- receipts are not uploaded to support spend and to allow VAT to be reclaimed.</li> </ul> <p>d) Non-compliance with P Card procedures will be escalated to Directors, to enable appropriate follow up action to be taken.</p>		

NO.	FINDING	RISK	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>A sample of these unreviewed transactions will be examined in greater detail as part of a Counter Fraud review to give the Council assurance that these purchases were incurred during the legitimate course of Council business.</p> <p>P Card reports are produced on a monthly basis, highlighting transactions which are not supported by receipts; have not been reviewed and have not been authorised. We were informed that the Accounts Payable and Receivables Manager had begun contacting authorisers regarding non-compliance and reiterating the P Card policy to these staff. From March 2021 this task is now performed by the Procurement &amp; Operations Officer.</p>		<p>Exchequer Services will develop and publicise a formal process in relation to this. Repetitive non-compliance by individuals will be referred to the Counter Fraud Team for further investigation.</p>		
2	<p><b>Pre-Paid Cards – Monitoring</b></p> <p>Between June 2019 and November 2020, 2,217 new Pre-Paid Cards were issued.</p> <p>Of these, 1,889 Pre-Paid Cards were classified as ‘open’, ‘issued not active’, and ‘deposit only’ cards (Appendix 3). The balance on these cards was £2.8m.</p> <p>On review, we found:</p> <ul style="list-style-type: none"> <li>- 458 cards were ‘issued not active’.</li> </ul> <p>These include cards issued to the card</p>	MEDIUM	<p>Exchequer Services will implement a process whereby “issued not active” cards are formally reviewed if there has been no spend for 3 months or more. This review will include ascertaining whether the cards are still required or not.</p>	14 May 2021	Completed

NO.	FINDING	RISK	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>holder, but which have not yet been activated by them. These cards were showing no spend but had a total available balance of £134k. 100 of these cards are allocated to the Emergency Response Team and have zero balances until the Emergency Response Team requests funds to be loaded. The Emergency Response Team is responsible for monitoring these cards.</p> <ul style="list-style-type: none"> <li>- 207 of the cards 'issued not active' dated back more than 6 months. The balance on these was almost £55k. Our concern was that while some of these cards may have related to services that couldn't be used during lockdown, some may also be related to services that are no longer required. Following a discussion with Exchequer Services, we reviewed a sample of 15 'issued not active' cards and found: <ul style="list-style-type: none"> <li>- 1 of 15 (7%) had an active direct debit connected to it. Therefore, that particular card was active.</li> <li>- 9 of 15 (60%) had been closed and the funds clawed back since our discussions with Exchequer Services.</li> </ul> </li> </ul>				



NO.	FINDING	RISK	AGREED ACTION	ACTION DUE BY	UPDATE
	<ul style="list-style-type: none"> <li>- 4 of 15 (27%) had not been used within six months. Since our discussions with Exchequer Services, they have approached the Service to determine if these cards can be closed.</li> <li>- 1 of 15 (7%) was awaiting closure.</li> </ul> <p>Since our discussions with Exchequer Services, we have been informed that a monthly process to monitor all cards with no spend activity for more than three months has been introduced.</p> <p>We had sight of the monthly transaction activity reports which are forwarded to relevant Services, such as the SEN Transport Team and Children's Services, for review. Exchequer staff directly monitor the 1,100 or so Adult Direct Payment Pre-Paid Cards in issue.</p> <p>We reviewed 5 Pre-Paid Cards that were monitored by Exchequer Services and found:</p> <ul style="list-style-type: none"> <li>- 1 of the 5 (20%) showed spend did not look to be in accordance with the Care Plan, as the spend related to personal items such as hairdresser appointments. The care plan stated spend should be for employing carers.</li> </ul>				

NO.	FINDING	RISK	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>This case dated back seven years and was finally resolved in December 2020 when the Direct Payment was cancelled and £7k was clawed back. We note that the decision to amend or cancel the Direct Payment rests with Services and not with Exchequer Services.</p> <p>We also noted the Care Plans that Exchequer Services have access to for monitoring spend were often vague. This made identifying misuse with individual care plans time consuming and problematic.</p>				
3	<p><b>Pre-Paid Cards - Agreements</b></p> <p>Pre-Paid Card applicants must sign Section 7 - Cardholder Declaration - of the Exchequer Services Pre-Paid Application Form, agreeing to the terms of the Direct Payments Agreement.</p> <p>Where a third-party agent signs this Direct Payment Agreement on behalf of the personal budget recipient, their declaration is merely only 'to act in the best interest of you and is capable of managing/assisting you with this direct payment'.</p> <p>This declaration does not require third-</p>	MEDIUM	The Social Care Team will liaise with Legal Services to ensure third party agents sign up to the same terms and conditions as direct personal budget recipients.	30 June 2021	<p>Due date revised to 31 July 2021</p> <p>In progress</p>

NO.	FINDING	RISK	AGREED ACTION	ACTION DUE BY	UPDATE
	party agents to be bounds by the terms and conditions of the Direct Payment Agreement as it does for direct personal budget recipients. This therefore exposes the Council to the risk of misuse and not being able to recover misused funds.				
4	<p><b>Pre-Paid Cards – Documentation</b></p> <p>Documentation, including application forms, should be retained in line with the Council's retention policy, to support decisions such as the issue of Pre-Paid cards.</p> <p>Spend is monitored by Exchequer staff and checked against Care Plans and Direct Payment Agreement forms.</p> <p>A sample of 16 Pre-Paid Cards was checked for supporting documentation. Of these Exchequer Services were unable to provide:</p> <ul style="list-style-type: none"> <li>- 3 out of 14 (21%) Pre-Paid Application Forms. These had been archived in the Civic Centre basement and therefore not readily available due to Covid-19 restrictions.</li> </ul> <p>It was difficult to judge whether spend with all-purpose companies such as Amazon complies with Care Plans. We did not see</p>	<b>MEDIUM</b>	Exchequer Services identify spend to all-purpose companies, such as Amazon, supermarkets and notify ASC so social workers can review the appropriateness of the spend with clients. To provide additional reassurances Exchequer Services will request to see evidence for a sample of this Pre-Paid Card expenditure from the Social Care Team and will validate that the spend met the Care Plan requirements. This will demonstrate that good financial controls and safeguards from financial abuse are in place.	1 June 2021	Completed

NO.	FINDING	RISK	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>evidence of spend, such as receipts, in these cases. The Direct Payments booklet section 6.1 states recipients will “keep financial records (e.g. invoices/ payslips, HMRC records and receipts) of how the money has been spent”. Exchequer Services, who have responsibility for processing, monitoring and reconciling Direct Payments, informed us that they select a sample of spend to all-purpose companies and raise this with Social Workers to review, however during this audit we were unable to confirm that the spend was validated by Exchequer Services.</p> <p>As a consequence, a review of spend with all-purpose companies will also be included in the Counter Fraud review mentioned in <b>Finding 1</b>.</p>				

## Appendix G: Supplier Resilience

NO.	FINDING	RISK	AGREED ACTION	ACTION DUE BY	UPDATE
1	<p><b>Ongoing monitoring of suppliers and due diligence checks</b></p> <p>We sent questionnaires for 12 contracts to the relevant Contract Managers, to ask them a set of questions about their role and responsibilities of contract management, supplier due diligence and ongoing monitoring of suppliers (see <b>Appendix 4</b> for the questions asked). 10 responses were received, and we noted the following:</p> <ul style="list-style-type: none"> <li>- There were inconsistent answers for initial due diligence checks for contracts under the value of £500,000 that do not need to follow Official Journal of the European Union (OJEU) process. Answers included: <ul style="list-style-type: none"> <li>o 2 out of 10 (20%) stated the P&amp;C Hub should be performing the checks;</li> <li>o 4 out of 10 (40%) stated Finance are responsible; and</li> <li>o 2 out of 10 (20%) stated that</li> </ul> </li> </ul>	HIGH	<ol style="list-style-type: none"> <li>1) We will clearly define whose responsibility and the approach to follow to perform initial due diligence checks in the Contract Procedure Rules (CPRs) for all contracts under the threshold. This will include the type of checks that are required such as financial and reputation checks. These will be communicated to all relevant Contract Managers and confirmation of their understanding will be requested.</li> <li>2) We will state the frequency of the on-going supplier resilience checks for contracts. This will be based on the risk associated to the Council. Furthermore, we will detail the approach required to perform the supplier resilience checks so Contract Managers understand the process.</li> </ol>	31 May 2021	1) – 2) Completed

NO.	FINDING	RISK	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>Contract Managers do this, but this is dependent on the nature of the contract and if they deem it to be risky or not (through opinion, based on experience)</p> <ul style="list-style-type: none"> <li>- The responsibility and frequency of on-going supplier resilience checks is unclear. <ul style="list-style-type: none"> <li>o 2 out of 10 (20%) stated these are performed by the project teams engaging with the suppliers;</li> <li>o 4 out of 10 (40%) stated that they informally take note of the suppliers' financial situation or are not aware of such checks taking place after the contract is awarded.</li> </ul> </li> </ul> <p>All Contract Managers confirmed no, or minimal training is provided to guide them in performing due diligence checks and on-going monitoring of suppliers.</p>				
2	<p><b>Oversight of the supplier resilience exercise</b></p> <p>The Procurement &amp; Commissioning Hub (P&amp;C Hub) has a 'Supply Base Risk</p>	MEDIUM	1) We will review the Tool to ensure the assessments recorded are completed by the relevant Contract Managers.	31 May 2021	1) -2) Completed

NO.	FINDING	RISK	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>Management Tool V1.0' (the Tool) where Contract Manager's input information to complete the risk assessment for their contracts. The results are auto-populated and rated low, medium or high risk – this is the supplier resilience exercise.</p> <p>From review of the Tool, we found:</p> <ul style="list-style-type: none"> <li>- The following information was missing from the Tool: 59 out of 113 suppliers rated (52%), had incomplete sections and only 15 of these had any further commentary as to why the review was incomplete. We note an overall risk was assigned.</li> <li>- There was no evidence to suggest issues highlighted from the supplier resilience exercise were communicated and discussed with other key stakeholders.</li> </ul> <p>We selected 12 suppliers' risk assessments and requested supporting evidence to validate Contract Manager's decisions and to understand the process P&amp;C Hub monitor the assessment outcomes. We found: For 100% of the risk assessments, there was no evidence of P&amp;C Hub challenging the decision made by</p>		<p>2) On a quarterly basis, we will perform a detailed review of a sample of assessments and provide challenge on the outcomes where appropriate. The results of these reviews will be presented to Departmental Procurement Boards. Any high-risk contracts identified in the supplier resilience exercise will be highlighted to senior management so that appropriate mitigating actions can be taken.</p>		

NO.	FINDING	RISK	AGREED ACTION	ACTION DUE BY	UPDATE
	the Contract Managers to ensure they have been completed to a satisfactory and consistent standard. Contract Managers are not asked to validate their results and how they reached their decision.				
3	<p><b>Procedural guidance</b></p> <p>The P&amp;C Hub have created a guidance document 'Supplier Resilience – Guide to Completing Exercise Stage 1 – Segmentation'. This details how to complete risk assessments for suppliers.</p> <p>We reviewed the guidance document and tools to ensure clear instructions are given to complete the supplier resilience assessment. We noted the following:</p> <ul style="list-style-type: none"> <li>- The guidance document explains how to locate the 'Supply Base Risk Management Tool file' (used to risk rate each supplier) and the columns that need to be populated but it does not cover how to make the assessment and score the questions appropriately.</li> <li>- There is no guidance on how to complete the 'segmentation tool' and</li> </ul>	<b>MEDIUM</b>	<ol style="list-style-type: none"> <li>1) We will produce detailed procedural documents to assist Contract Managers in completing the supplier resilience exercise which will include how to complete the supplementary 'segmentation' and 'outcome' tools to ensure answers are standardised and consistent.</li> <li>2) We will distribute the procedural documents to all Contract Managers and provide drop-in training sessions for Contract Managers to ask questions.</li> <li>3) We will ensure that all those involved in the process have read and understood the guidance by confirming to the P&amp;C Hub.</li> <li>4) Outcomes of the assessments will be verified and challenged</li> </ol>	31 May 2021	1) - 4) Completed



NO.	FINDING	RISK	AGREED ACTION	ACTION DUE BY	UPDATE
	<p>'outcome tool' to score the questions and calculate the financial exposure appropriately.</p> <p>The guidance document does not state tools should be stored centrally meaning it is likely they are stored on individual drives which are then not accessible to all.</p>		<p>by the Procurement &amp; Commissioning Hub to ensure the results are accurate and appropriate actions are taken and discussed with Contract Managers to mitigate risks identified from the assessment. (same as <b>Finding 1, action 2</b>).</p>		
4	<p><b>Documentation of assessments and supporting evidence</b></p> <p>We selected 12 suppliers' assessments and requested the 'segmentation' and 'outcome' tools to verify the results recorded in the assessment. We found the following:</p> <ul style="list-style-type: none"> <li>- 2 out of 12 assessments (16%) did not provide the 'outcome' tool to determine the potential financial exposure to the Council.</li> <li>- 2 out of 12 assessments (16%) did not provide the 'outcome' and 'segmentation' tool.</li> </ul> <p>The guidance documents do not request completed assessments and supporting tools to be saved centrally and sent to the P&amp;C Hub. Furthermore, 12 out of 12 (100%) assessments did not retain the</p>	MEDIUM	<ol style="list-style-type: none"> <li>1) We will agree on the appropriate filing system for supplier resilience assessments</li> <li>2) We will document where to save assessments in policy/procedure/guidance notes and ensure Contract Manager are aware of this guidance.</li> </ol> <p>We will routinely cross check between the Supply Base Risk Management Tool and files saved within the agreed location and will follow up on missing files.</p>		1) – 2) Completed

NO.	FINDING	RISK	AGREED ACTION	ACTION DUE BY	UPDATE
	tools centrally.				

## Appendix H: Overdue High Risk Actions

### Place

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
Cleaning Service	Monitoring - staff attendance on site	<ul style="list-style-type: none"> <li>a) The Service will agree a manageable level of supervision of cleaning staff, including one to one meetings between cleaning staff and Area Managers.</li> <li>b) We will contact the Service Improvement Manager in Digital Services to identify whether a cost effective electronic logging in and out system / GPS time tracking software can be sourced.</li> <li>c) We will ensure that staff receive training for completing location timesheets and emphasise that timesheets must be forwarded monthly</li> <li>d) d) Where cleaners have named entry card access, entry/exit records will be requested from FM on a quarterly basis in order that sample checks can be carried out to ensure staff are attending. Random inspection checks carried out in person at other premises will continue.</li> </ul>	01-May-2021	<b>Update, March 2021</b> Agreed with Internal Audit to revise the due date to 1 September 2021	01-Sep-2021
Facilities	Due Diligence	a) The due diligence checks will be	31-Dec-	<b>Update March 2021, 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>	2020	<p><b>Board</b></p> <p>An update will be provided to the Assurance Board in August 2021.</p>	
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 quarterly Health and Safety Board report. The Atrium System Facilitator will arrange for FM staff to gain access</li> </ul>	31-Dec-2020	<p><b>Update March 2021, Assurance Board</b></p> <p>An update will be provided to the Assurance Board in August 2021.</p>	31-Dec-2020

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
		to Atrium.			
Facilities Management of Youth Centres	Policies and Procedures	a) Comprehensive policy and procedures for the facilities management of youth centres will be compiled to include: <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> b) The policy and procedures documentation will be reviewed annually and communicated to staff. c) The Corporate Landlord policy will be reviewed and updated to reflect changes in the roles and responsibilities of officers.	31-Dec-2020	<b>Update March 2021, Assurance Board</b> An update will be provided to the Assurance Board in August 2021	31-Dec-2020

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

### Place

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
Broomfield House	Actions from 16/17 Audit	Consolidated action from the 2016/17 Broomfield House audit.	01-Sep-2017	<b>Update Assurance Board, March 2021</b> <ul style="list-style-type: none"> <li>- Agreed that a project manager will be appointed specifically for the work required for Broomfield House</li> <li>- A report will be made to Cabinet in October 2021 which will close off the 4 outstanding audit actions</li> </ul>	31-Oct-2021
Planning	Policies and Procedures	a) We will produce a Service level strategy document setting out the overall purpose and objective of the Service. The policy will include the following: <ul style="list-style-type: none"> <li>- The overall role and purpose of the planning Service within the Council.</li> <li>- The underlying principles values and philosophies of the Service.</li> <li>- The objectives of the Service and how the Service intends to achieve these.</li> <li>- Key individuals and organisations in achieving the Service's goal.</li> <li>- Key resources and systems for the Service.</li> <li>- Provision for ownership of the</li> </ul>	31-Mar-2020	<b>Update, June 2021</b> Draft of document has been completed and circulated for review and discussion.	31-Jul-2021

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
		<p>document and for regular update and review by according to a clear timescale.</p> <p>b) We will produce process documentation for all of the key activities of the Service, considering the end to end nature of the processes. We will ensure this is reviewed and updated on a regular basis according to an agreed timescale.</p>			