

London Borough of Enfield

General Purposes Committee

29 June 2022

Subject: Audit and Risk Management Service Progress Update

Cabinet Member: Cllr Tim Leaver, Cabinet Member for Finance & Procurement

Executive Director: Fay Hammond, Executive Director Resources

Key Decision: N/A

Purpose of Report

1. The Audit and Risk Management Service Progress Update Report at 30 April 2022 (**Annex A**) summarises:
 - the results of the work that the Audit and Risk Management Service undertook during the period 1 April 2021 to 30 April 2022
 - the continued work of the Head of Internal Audit and Risk Management, in collaboration with the internal Assurance Board, to target limited audit resources at the highest priority Corporate and Schools' services
2. Progress was made in delivering the 2021/22 Internal Audit plan, with all 60 reviews having commenced. Of these, 62% were finalised by 30 April 2022. This compares to 100% commencement of 49 planned reviews and 65% completion for the same period in 2021.
3. Since the audit plan was agreed by the General Purposes Committee in March 2021, 25 audits were cancelled, and nine further audits were added to the plan by 30 April 2022.
4. 37 audits were completed between 1 March 2021 and 30 April 2022. 17 were grant certifications or management letters and therefore an assurance opinion was not given. Of the 20 remaining audits, one was given *Substantial* assurance, 10 *Reasonable* assurance, eight *Limited* assurance and one *No* assurance.
5. The Public Sector Internal Audit Standards (PSIAS) require the Chief Audit Executive (who at the London Borough of Enfield is the Head of Internal Audit and Risk Management) to deliver an annual internal audit opinion.
6. Whilst we continue to make progress in delivering the audit plan, sufficient audits had not been completed by 30 April 2022 on which to base the annual internal audit opinion. We are currently finalising the outstanding audits and the Head of Internal Audit Annual Report and internal audit opinion will be presented to the next meeting of this committee in July 2022.

7. Since the ARMS Progress Report at 30 April 2022 was completed, a further 17 audits have been completed bringing the completion rate up to 95%. Of these 17 audits, nine were given *Reasonable* assurance, five *Limited* assurance and one *No* assurance. The remaining two audits were management letters and therefore no assurance opinion has been given.
8. Work has started on the 2022/23 Internal Audit plan, with 19 assignments having commenced (25% of the plan) of which 3 (4%) have been completed. For the same period in 2021, 11 audits (18%) had commenced, and none had been completed.
9. Since the 2022/23 audit plan was agreed by the General Purposes Committee in March 2022, two audits have been cancelled and seven further audits have been added to the plan.
10. With the support of the Assurance Board, a high implementation rate of agreed audit actions continues. As at 30 April 2022, the implementation rate (12-month rolling basis) for actions from high risk findings is 72% and for medium risk findings is 78%. A summary of the overdue actions from high risk findings at 30 April 2022 is also presented in **Annex A**.

Proposal

11. The General Purposes Committee is requested to:
 - note the work completed by the Audit and Risk Management Service during the period 1 April 2021 to 30 April 2022 and the key themes and outcomes arising from this work
 - provide feedback on the contents of this report

Reason for Proposal

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

Relevance to the Council's Plan

Good Homes in Well-Connected Neighbourhoods

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

Safe, Healthy and Confident Communities

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

An Economy that Works for Everyone

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

Background

16. In line with the Council's Internal Audit Charter which is based on the requirements of the Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit and Risk Management has a responsibility to regularly update the General Purposes Committee on the work of the Audit and Risk Management Service through periodic and annual reports.
17. These reports should include details of audit activities with significant findings along with any relevant recommendations. Periodic information on the status of the annual audit plan should also be included.
18. By 30 April 2022 progress had been made in delivering the 2021/22 Internal Audit plan, with all 60 reviews having commenced. Of these, 62% had been finalised by 30 April 2022. This compares to 100% commencement of 49 planned reviews and 65% completion for the same period in 2021. Details are given in **Annex A**.
19. The Internal Audit Plan for 2022/23 was agreed by the General Purposes Committee on 3 March 2022.
20. Work has started on the 2022/23 Internal Audit plan, with 19 assignments having commenced (25% of the plan) of which 3 (4%) have been completed. For the same period in 2021, 11 audits (18%) had commenced, and none had been completed.
21. Since the audit plan was agreed by the General Purposes Committee in March 2022, two audits have been cancelled and seven further audits have been added to the plan.
22. **Annex A** summarises the work completed by the Audit and Risk Management Service between 1 April 2021 and 30 April 2022.

Main Considerations for the Council

23. 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.
24. The Audit and Risk Management Service supports management in the identification and mitigation of risks as part of its work.

Safeguarding Implications

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

Public Health Implications

26. 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

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

Environmental and Climate Change Considerations

28. 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

29. 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.

30. 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

31. The risk of financial and reputational losses may still arise but following this proposal will ensure management is fully apprised of the risk and that cover is in place for potentially significant losses.

Financial Implications

32. 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’.

33. 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:
34. 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.
35. 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.
36. 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

37. 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)).
38. 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.
39. 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.
40. 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.
41. This report addresses the statutory obligations for local audit processes in compliance with the 2015 Regulations.

Workforce Implications

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

Property Implications

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

Other Implications

44. N/A

Options Considered

45. Given the requirements of the Public Sector Internal Audit Standards, no other options were considered in terms of Internal Audit reporting.

Conclusions

46. 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 April 2022 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: 17 June 2022

Appendices

Annex A: Audit and Risk Management Service Progress Update

Background Papers

None



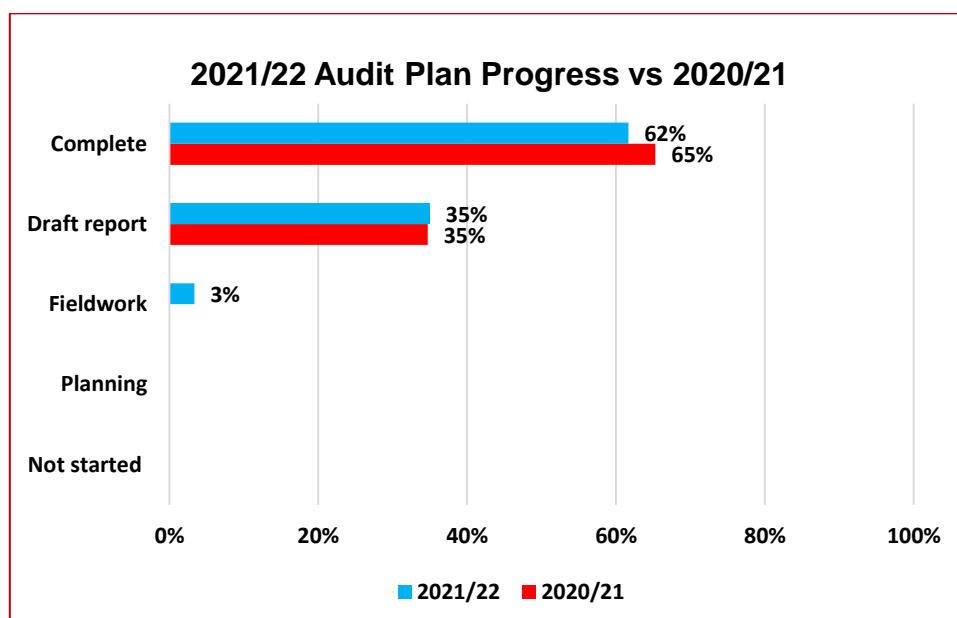
Audit and Risk Management Service Progress Update 30 April 2022

Internal Audit

Audit Plan – 2021/22

During the period 1 April 2020 to 30 April 2022, the Internal Audit team has commenced 60 assignments (100% of the plan) of which 37 (62%) have been completed. For the same period in 2021, 49 audits (100%) had commenced and 32 (65%) had been completed.

The following chart summarises the 2021/22 progress compared to 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, 25 audits were cancelled, and nine audits were added.

The cancelled audits are:

Department	Audit	Reason for Cancellation
Chief Executives	Culture	Agreed with Head of Employee Experience to defer as the scope of the audit would be duplicative in view of the Investors in People work being undertaken. Although this audit was deferred to the 2022/23 audit plan, it was subsequently cancelled due to resource constraints (see below).
Chief Executives	Members' Ethics	Due to Monitoring Officer change and local elections in May 2022, this audit has been deferred to 2022/23
Chief Executives	Staff Ethical Standards	Agreed with Director of HR & OD that due to unforeseen resourcing issues in the Internal Audit team this has been deferred to 2022/23
People	Adoption	Agreed with Executive Director, People that an internal audit of regionalised adoption was no longer required
People	Supporting Families – July	July testing cancelled at client request and was included in August testing
People	Supporting Families – October	October testing cancelled at client request and was included in December testing
People	Supporting Families – November	November testing cancelled at client request and included in December testing
Place	Planning	Agreed with Assurance Board to defer to 2022/23 as two other planning audits took place in 2021/22.
Place	Housing Repairs and Maintenance	Agreed with Director of Housing and Regeneration to defer to 2022/23 due to the ongoing delays to the implementation of new Civica system
Place	Meridian Water – Supply Chain Risks	Agreed with Director of Development to defer to 2022/23 (Financial Management audit added to 2021/22 in place of Supply Chain Risk)
Place	Meridian Water – Financial Management	Agreed with Director of Development that this will be deferred to 2022/23
Resources	Transformation Projects	Agreed with Executive Director, Resources. Included in draft 2022/23 plan

Department	Audit	Reason for Cancellation
Resources	Procurement Social Value	Agreed with Executive Director, Resources to defer to 2022/23 given on going work in this area and restructuring of the team. However, as part of the 2022/23 audit planning process this audit was not deemed a priority for the 2022/23 audit plan.
Resources	Web content Accessibility Guidelines 2.1 (WCAG 2.1)	Agreed with Head of Service to defer to Q1 2022/23
Resources	Digital Services Cyber Security Red Team Exercise	Agreed with Executive Director, Resources that due to other similar exercises being undertaken by Digital Services, this review was no longer required.
Resources	Use of Spreadsheets	Agreed with Executive Director, Resources to defer to 2022/23 to ensure new Finance Directors could be consulted.
Resources	Security Panel	Agreed with Executive Director, Resources to defer to 2022/23
LATC	Customer Services	Agreed with Energetik that new process improvements were being embedded. Will be reconsidered during 2022/23.
Cross Cutting	Board Reporting	Due to unforeseen resourcing issues in the Internal Audit team this was deferred to 2022/23.
Cross Cutting	Test and Trace Grant	Advised by Finance that submission of the grant certification is not required until June 2022, therefore deferred to the 2022/23 plan
Cross Cutting	Contain Outbreak Management Fund	Advised by Finance that submission of the grant certification is not required until June 2022, therefore deferred to the 2022/23 plan
Cross Cutting	S31 Community Testing Grant	Advised by Finance no Internal Audit work is required
Cross Cutting	Lessons Learnt from the Pandemic	As a priority 3 audit, agreed with Head of Audit and Risk Management that this audit is no longer required
Cross Cutting	Green Homes Grant	Advised by the Asset Manager that grant certification not required until April 2022, therefore deferred to the 2022/23 plan.
Cross Cutting	Culture Recovery Fund III	Deferred to 2022/23 as final deadline was 30 April 2022

The additional audits added to the 2021/22 internal audit plan were:

Corporate Risk Reference	Department	Audit	Description
CR02	Cross Cutting	Low Traffic Neighbourhoods	Requested by Executive Director. Resources

Corporate Risk Reference	Department	Audit	Description
CR02	Place	Culture Recovery Fund Grant Certification (phases I and II)	Requested by Head of Service
CR02	Place	Culture Recovery Fund Grant Certification (phase III)	Requested by Head of Service
CR04	Cross Cutting	Handling of Members' Post	Requested by Chief Executive
CR04	Place	Planning Service Data Quality	Requested by Chief Executive
CR04	Place	Planning Consultation Notices	Requested by Executive Director, Place
CR05	People	Looked After Children - Financial Control	Following cessation of the ContrOcc project, to confirm that the introduction of a new control system is appropriate and working effectively
CR07	Cross Cutting	CCTV Process	Requested by Executive Director, Resources
CR11	Place	Meridian Water – Financial Management	Requested by Programme Director to confirm that appropriate financial management processes and controls are in place and working effectively

A revised version of the 2021/22 internal audit plan is attached at **Appendix A**.

2021/22 Completed Audits

37 audits have been completed to 30 April 2022:

Department	Audit	Assurance Level
Cross Cutting	DWP Revised Memorandum of Understanding 20-21	No
People	Primary Behaviour Support Service	Limited
People	Secondary Behaviour Support Service	Limited
People	Oakthorpe Primary School	Limited
People	Eldon Primary School	Limited
People	Community Equipment Services	Limited
People	Deprivation of Liberty Safeguards	Limited
Place	Community Infrastructure Levy	Limited
Place	Meridian Water – Contract Management	Limited
People	St. Paul's CE Primary School	Reasonable

Department	Audit	Assurance Level
People	De Bohun Primary School	Reasonable
People	Prince of Wales Primary School	Reasonable
People	St Michael at Bowes CE Primary School	Reasonable
People	Chase Side Primary School	Reasonable
People	St Andrew's Southgate CE Primary School	Reasonable
Place	Garden Waste Collection Services	Reasonable
Place	Capital Works	Reasonable
Place	Salix Programme	Reasonable
Resources	Counter Fraud	Reasonable
Resources	Financial Management of the Housing Revenue Account	Substantial
Cross Cutting	Local Government Transparency Code	N/A – Management Letter
Cross Cutting	Financial and Company Governance Review	N/A – Management Letter
Cross Cutting	Handling of Members' Post (NEW)	N/A – Management Letter
Chief Executives	Mayor's Accounts	N/A – Management Letter
Place	Planning Service Data Quality (NEW)	N/A – Management Letter
People	Schools Physical Verification Testing from 2020-21	N/A – Management Letter
Place	BEGIN Grant (Phase 1)	N/A – Grant Certification
Place	BEGIN Grant (Phase 2)	N/A – Grant Certification
People	Bus Service Operators Grant (BSOG) Certification	N/A – Grant Certification
People	Supporting Families Grant Certification - May	N/A – Grant Certification
People	Supporting Families Grant Certification - June	N/A – Grant Certification
People	Supporting Families Grant Certification - Aug	N/A – Grant Certification
People	Supporting Families Grant Certification - Sept	N/A – Grant Certification
People	Supporting Families Grant Certification - Dec	N/A – Grant Certification
People	Supporting Families Grant Certification - Jan	N/A – Grant Certification
People	Supporting Families Grant Certification - Feb	N/A – Grant Certification
Place	Culture Recovery Fund Grant Certification I and II (NEW)	N/A – Grant Certification

2020/21 Audit Plan – Limited Assurance Reports

Since the last update to this Committee, three audits with a *No* or *Limited* assurance opinion have been issued. The following summary from each of the audit reports briefly explains the reasoning behind the assurance opinions:

Community Equipment Services

The service was insourced from Independence and Wellbeing Ltd in June 2020.

Since the on-set of Covid-19, the service has experienced a significant upturn in demand for equipment and adaptations to support hospital discharges. Average orders of 1,836 per month in 2019/20 rose to 2,044 per month in 2020/21 and 2,877 in 2021/22. Despite this, anecdotal evidence suggests a good service is being provided to clients.

However, some processes such as routine maintenance, have had to be paused in order to meet the increase in demand.

The following **high risk** finding was identified:

- The Service did not follow the Council's Contract Procedure Rules when spot purchasing.

The following **medium risk** findings were identified:

- The Service needs to finalise a suite of KPIs that give an effective view of performance. Parameters for calculating the KPIs should be agreed and documented.
- The stock control system is not being used effectively to track movements of stock into, around and out of the warehouse.
- The maintenance programme has fallen behind as staff were reassigned to other duties due to Covid-19. Some maintenance has not been completed as clients did not want home visits during the pandemic; this needs to be fully documented in case injury claims against the Council arise.
- Contracts with care homes have not been updated to reflect that it is the care homes' duty to advise the Council if the equipment for a specified client is no longer required. There are no regular audits of equipment in care homes.
- The Service needs to document a Delegation of Authority whereby officers in the Service are authorised to destroy stock. The agreement with the waste collector should be formalised.

One **low risk** finding was also identified

Deprivation of Liberty Safeguards

The audit was designed to provide assurance that there are appropriate controls in place to ensure that the Council is compliant with current Deprivation of Liberty Safeguards (DoLS) legislation and that the necessary steps are being taken to ensure a smooth transition to its replacement, Liberty Protection Safeguards (LPS) in 2022. It was expected that LPS would be introduced in April 2022, but the Department of Health and Social Care have confirmed this date will not be met and currently a new target date for implementation has not been set. Therefore, it is expected that DoLS will remain in place for some time.

The DoLS Team has already commenced planning and preparing for the introduction of LPS. A Project Board overseeing the process meets regularly and is engaging with a number of stakeholders. Therefore, plans for LPS are in progress but are subject to the government issuing the Code of Practice which will provide further guidance on implementation. DoLS will remain in place in the interim and will function concurrently with LPS, once implemented, for an additional year to ensure a seamless transition.

The audit testing focused primarily on the current DoLS process.

This review identified **one high risk**, **four medium** risks and **one low** risk finding.

The following **high risk** finding was identified:

- When acting as the Supervising Authority, the Council engages the services of Mental Health Assessors (MHAs) and Best Interest Assessors (BIAs) to carry out the mandatory assessments required before deciding whether a service user's liberty has to be removed for their best interest. The MHAs and BIAs currently providing this service are not employed by the Council. We have identified that:
 - no contractual agreements are in place with any of these third party providers;
 - no data sharing agreements are in place with these third party providers who handle sensitive information on behalf of the Council;
 - although the total expenditure for all providers during the current and previous financial year was £720k, no formal procurement exercise had been carried out.

The following **medium risk** findings were identified:

- Limited management reporting is made to the monthly Adult Social Care Performance Management Team meeting. A monthly update is provided on the number of DoLS referrals, but no further information is provided on:
 - the Council's compliance with the legislative requirement to complete assessments within 21 days;
 - progress against locally agreed performance indicators.

The Service's records are maintained on Eclipse and on a spreadsheet, but these do not have the functionality to produce the relevant performance reports. Also, a sample of 25 cases was reviewed to confirm that as the Supervising Authority, DoLS applications were received, allocated promptly and assessments were carried out in a timely manner. We found that:

- No data is held to confirm that applications are allocated promptly;
 - In all cases tested, MHA assessments were not completed with 72 hours of allocation;
 - In all cases tested, BIA assessments were not completed within 5 days of allocation;
 - In 52% of cases, the deadline for completing the assessment within 21 days was not met.
- It is a requirement that each MHA and BIA has been appropriately trained, accredited, and completes annual refresher courses. We found that the training records for internal BIA assessors were not completed in full and so we were unable to confirm when refresher courses were last completed.
 - Sample checks of BIAs' professional indemnity insurance found that, in one case, an external BIA's insurance was out of date.
 - A project board is in place to oversee the transitioning from DoLS to LPS. However, we were advised that the reconfiguring of Liquid Logic and RIO systems has not yet begun. However, the Project Executive Manager and Programme Change Manager are engaging with both work streams to commence the process.

One **low risk** finding was also identified.

Eldon Primary School

This audit review identified one **high risk** and seven **low risk** findings. We also identified one advisory item for management attention. This has resulted in an overall **Limited** assurance opinion.

The audit testing in this review covered the period April 2020 to October 2021. This included periods of Covid-19 restrictions and extra workload and pressures this imposed on the school. Office staff were following government guidelines, had a rota system for being on site and had adapted day to day processes to ensure the safety of staff and pupils. The

school has continued to implement changes with Government requirements alongside preparing for this audit review.

The following **high risk** finding was identified:

The controls surrounding the school's procurement processes were found to be weak with the following exceptions identified:

- **Related Party Transactions:** The school purchases services for SEND and sports coaching from an agency and purchases school improvement plan services from another supplier. The value for the SEND and sports coaching services is £72,500 for the current financial year. The total spend for school improvement plan is £12,500 per annum. Despite a staff member (SEND and sports coaching services) and a governor (school improvement plan services) having connections with the suppliers, no supporting information was provided to confirm that an independent review had been carried out by the Governing Body prior to the suppliers being engaged.
- **Contracts:** Contract Procedure Rules (CPRs) were not consistently adhered to in several cases. We found:
 - For the SEND and sports coaching contract mentioned above, a formal procurement process, as required by the CPRs, had not been carried out nor was the award of the contract formally approved;
 - For the school improvement plan services contract mentioned above, a procurement exercise in line with the CPRs was not undertaken; neither was there a formal contract in place nor confirmation that the Governing Body approved the purchase of this service;
 - In one case the contract was out of date; had not been signed by a delegated officer from the school; also when a best value exercise would be carried out;
 - In one case the approval of the contract was not explicitly recorded in the Governing Body minutes.
- **Purchase to Pay:** In several cases, purchase orders were raised retrospectively.

A further seven **low risk** findings were also identified.

Annual Audit Opinion

The Public Sector Internal Audit Standards (PSIAS) apply to all internal audit service providers in the UK public sector.

The PSIAS require the chief audit executive (who at the London Borough of Enfield is the Head of Internal Audit and Risk Management) to deliver an annual internal audit opinion.

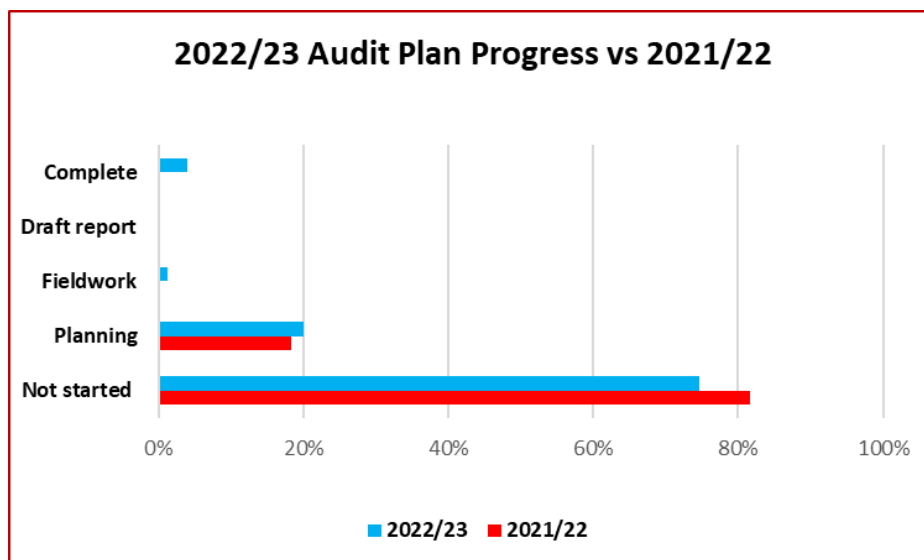
Whilst we continue to make progress in delivering the audit plan, it should be noted that we do not yet have sufficient audits completed on which to base the annual internal audit opinion.

We are currently finalising the outstanding audits and the Head of Internal Audit Annual Report and internal audit opinion will be presented to the next meeting of this committee in July 2022.

2022/23 Audit Plan

During the period 1 April 2022 to 30 April 2022, the Internal Audit team has commenced 19 assignments (25% of the plan) of which 3 (4%) have been completed. For the same period in 2021, 11 audits (18%) had commenced, and none had been completed.

The following chart summarises the 2022/23 progress compared to 2021/22:



Changes to the 2022/23 Internal Audit Plan

Following the approval of the 2022/23 Internal Audit Plan by the General Purposes Committee in March 2022, two audits have been cancelled and seven audits have been added.

The cancelled audits are outlined below:

Department	Audit	Reason for Cancellation
Cross Cutting	Culture	This priority 3 audit was cancelled to realign the audit plan due to resource constraints.
Chief Executives	Organisational Governance	This priority 3 audit was cancelled to realign the audit plan due to resource constraints.

The audits added to the plan are:

Corporate Risk Reference	Department	Audit	Description
CR03	CEX	Staff Ethical Standards	Deferred from 2021/22
CR11	Place	Meridian Water: Financial Management of Capital Expenditure	Deferred from 2021/22
CR02	Place	Culture Recovery Fund III	Deferred from 2021/22
CR08	Cross Cutting	Use of Spreadsheets	Deferred from 2021/22
CR08	Cross Cutting	Board Reporting	Deferred from 2021/22
CR02	Cross Cutting	Protect and Vaccinate Grant	New grant identified
CR09	Cross Cutting	Security Board	Deferred from 2021/22

A revised version of the full 2022/23 audit plan is attached at **Appendix B**.

Since the last Assurance Board, three audits had been completed by 30 April 2022:

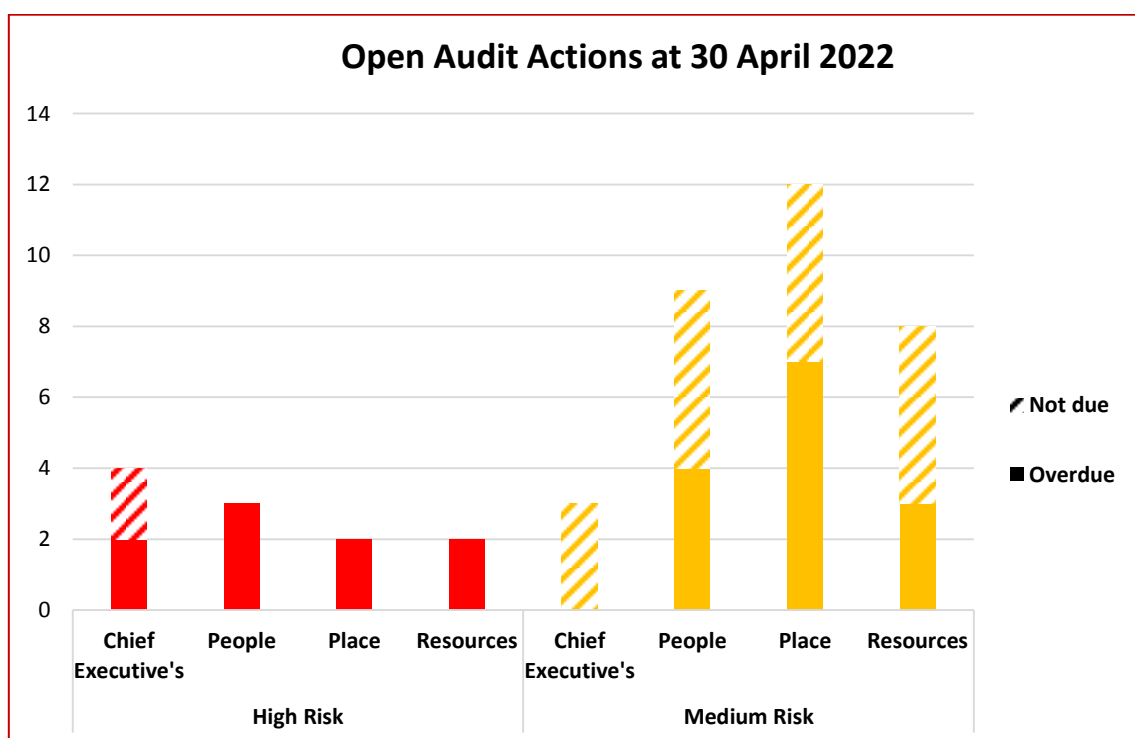
Department	Title	Assurance Level
Place	Green Homes Grant	N/A – Grant Certification
Place	Culture Recovery Fund III	N/A – Grant Certification
Cross Cutting	Protect and Vaccinate Grant	N/A – Grant Certification

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 April 2022, the implementation rate (12-month rolling basis) for actions from high risk findings is 72% and for medium risk findings is 78%.

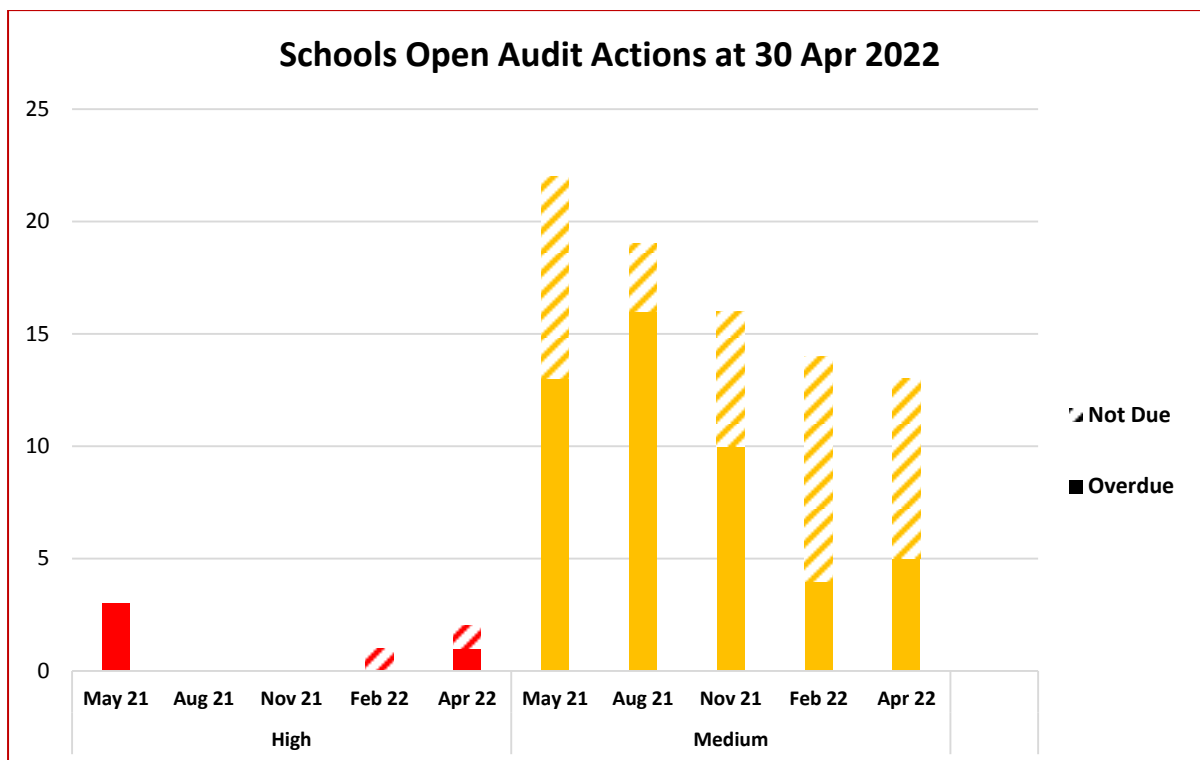
43 actions identified from Corporate audits remain open. Of these, 23 actions (from 9 high risk and 14 medium risk findings) were not fully implemented by their original due date and are, therefore, classed as overdue. Overdue actions are shown by the solid coloured part in the graph below.



Details of the overdue Corporate actions from high risk findings are provided in **Appendix C**.

Schools' Actions Implementation

At 30 April 2022 2 actions from high-risk findings remain open; one of these is overdue. 13 actions from medium risk findings are open, of which 5 are overdue. The following chart summarises progress on schools' open audit actions over the last year.



Internal Audit Quality Assessment

Performance of the Internal Audit service for against agreed KPI/quality metrics for the 2021/22 audit year to date is outlined in the following table:

KPI / Quality Metric	Target	Actual
Days from end of fieldwork to issue of draft report	15	14
Days from receipt of management comments to issue of final report	10	7
Level of satisfaction score with audit work	80%	80%*
% of the audit plan delivered to draft report stage	95% By 31 March	78% (by 31 March)
		95% (by 30 April)

* The level of satisfaction with audit work is determined by way of client satisfaction surveys issued after finalising every audit. 14 survey responses have been received so far this year.

Appendix A: 2021/22 Audit Plan Status

Dept.	Audit Title	Status
CR01 Financial Resilience		
People	Community Equipment Services	Complete
Place	Grounds Maintenance	Draft report issued
Resources	Key financial processes: Pensions - fund/payroll contributions	Fieldwork in progress
Resources	Key financial processes: Capital Budget Management	Draft report issued
Resources	Key financial processes: Revenue Budgeting and Forecasting	Draft report issued
Resources	Key financial processes: Financial Management of the Housing Revenue Account	Complete
Resources	Transformation Projects	Cancelled
CR02 Income Maximisation		
Cross Cutting	Test and Trace Grant 20-21	Cancelled
Cross Cutting	S31 Community Testing Grant	Cancelled
Cross Cutting	Contain Outbreak Management Fund (COMF)	Cancelled
Cross Cutting	Green Homes Grant	Cancelled
People	Supporting Families Grant Certification - May	Complete
People	Supporting Families Grant Certification - June	Complete
People	Supporting Families Grant Certification - July	Cancelled
People	Supporting Families Grant Certification - Aug	Complete
People	Supporting Families Grant Certification - Sept	Complete
People	Supporting Families Grant Certification - Oct	Cancelled
People	Supporting Families Grant Certification - Nov	Cancelled
People	Supporting Families Grant Certification - Dec	Complete
People	Supporting Families Grant Certification - Jan	Complete
People	Supporting Families Grant Certification - Feb	Complete
People	Bus Service Operators Grant (BSOG) Certification	Complete
Place	BEGIN Grant (Phase 1)	Complete
Place	BEGIN Grant (Phase 2)	Complete

Dept.	Audit Title	Status
Place	Garden Waste Collection Services	Complete
Place	Community Infrastructure Levy	Complete
Place	Culture Recovery Fund Grant Certification I and II (NEW)	Complete
Place	Culture Recovery Fund Grant Certification III (NEW)	Cancelled
LATC	Customer Services	Cancelled
CR03 Fraud and Corruption		
Chief Executives	Counter Fraud	Complete
Chief Executives	Staff Ethical Standards	Cancelled
Chief Executives	Members' Ethics	Cancelled
Place	Planning	Cancelled
CR04 Data Management		
Cross Cutting	Leavers	Complete
Cross Cutting	DWP Revised Memorandum of Understanding 20-21	Complete
Cross Cutting	Local Government Transparency Code	Complete
Cross Cutting	Handling of Members' Post (NEW)	Complete
Place	Planning Service Data Quality (NEW)	Complete
Place	Planning Consultation Notices (NEW)	Draft report issued
Resources	Digital Services: Cyber Security Red Team Exercise	Cancelled
CR05 Duty of Care		
People	Primary Behaviour Support Service	Complete
People	Secondary Behaviour Support Service	Complete
People	Financial Management of Bridgewood House	Draft report issued
People	SEN Commissioning	Fieldwork in progress
People	Adoption	Cancelled
People	Deprivation of Liberty Safeguards	Complete
Resources	Web content Accessibility Guidelines 2.1 (WCAG 2.1)	Cancelled
People	Looked After Children – Financial Management	Draft report issued
CR06 Customer Demand		

Dept.	Audit Title	Status
Place	Homelessness	Draft report issued
CR07 Digital Technology		
Resources	Digital Services: Contract Management	Draft report issued
CR08 Major Incident		
Cross Cutting	Board Reporting	Cancelled
Cross Cutting	Use of Spreadsheets	Cancelled
Cross Cutting	Lessons Learned from the Pandemic	Cancelled
CR09 Health and Safety		
Cross Cutting	Security Panel	Cancelled
CR10 Housing		
Place	Capital Works	Complete
Place	Housing Compliance - Safety Checks and Management of Lift Maintenance	Draft report issued
Place	Housing repairs and maintenance	Cancelled
Place	Social Housing Assurance Framework Whitepaper	Draft report issued
LATC	Enfield Let	Draft report issued
CR11 Regeneration and Growth		
Place	Meridian Water – Contract Management	Complete
Place	Meridian Water – Financial Management	Cancelled
Place	Meridian Water - Supply Chain Risks	Cancelled
CR12 Supply Chain and Contract Management		
Resources	Procurement Social Value	Cancelled
CR13 Commercial Ventures		
CEX	Oversight of Energetik	Draft report issued
CEX	Oversight of Montagu LLP	Draft report issued
CR14 Staffing		
Cross Cutting	Culture	Cancelled
CEX	Organisational Development	Draft report issued
CR15 Tax		
<i>No planned audits</i>		
CR16 Community Cohesion		
<i>No planned audits</i>		
CR17 Climate Change		

Dept.	Audit Title	Status
Place	Salix Programme	Complete
CR18 Equality, Diversity and Inclusion		
Cross Cutting	Equalities	Draft report issued
CR19 Legislation, Regulations and Standards		
<i>No planned audits</i>		
CR20 Financial Management		
Cross Cutting	Finance and Company Governance Review	Complete
Other		
People	Schools Physical Verification Testing from 2020-21	Complete
People	Bush Hill Park Primary School	Draft report issued
People	St. Paul's CE Primary School	Complete
People	De Bohun Primary School	Complete
People	Prince of Wales Primary School	Complete
People	St Michael at Bowes CE Primary School	Complete
People	Eldon Primary School	Complete
People	Chase Side Primary School	Complete
People	Firs Farm Primary School	Draft report issued
People	St Andrew's Southgate CE Primary School	Complete
People	Oakthorpe Primary School	Complete
People	St Anne's Catholic High School for Girls	Draft report issued
CEX	Mayor's Accounts	Complete

Appendix B: 2022/23 Audit Plan Status

Dept.	Audit Title	Status
CR01 Financial Resilience		
Cross Cutting	Payments to Residential Care Providers	Not yet started
Place	Land/Property Disposals	Not yet started
Place	Economic Strategy	Not yet started
Resources	Transformation Projects – Income and Debt Project	Planning
Cross Cutting	ContrOcc - Lessons Learnt	Planning
CR02 Income Maximisation		
People	Supporting Families (x 10 audits)	Planning
Resources	Education Funding	Not yet started
People	Public Health Grant	Not yet started
Place	Parking Contract	Planning
Cross Cutting	Contain Outbreak Management Fund Grant (COMF)	Planning
Cross Cutting	Local Authority Test and Trace Support Grant	Planning
People	Orchardside School Grant Certification - Alternative Provision Specialist Taskforces Programme	Not yet started
People	Bus Service Operators Grant	Not yet started
Resources	Self-Isolation Payments Funding	Not yet started
Place	Culture Recovery Fund III	Complete
Cross Cutting	Protect and Vaccinate Grant	Complete
CR03 Fraud and Corruption		
CEX	Members' Ethics	Not yet started
Place	Meridian Water Community Chest Grants	Not yet started
Place	Planning	Not yet started
Resources	Blue Badges	Not yet started
CEX	Staff Ethical Standards	Planning
CR04 Data Management		
Cross Cutting	Smarter Working - Clear Desk Policy	Not yet started
Cross Cutting	Data Governance	Not yet started
CR05 Duty of Care		
People	Passenger Services Operations - Adults	Planning
People	Enfield Early Help for All Strategy	Not yet started
People	Post 16 Services	Not yet started

Dept.	Audit Title	Status
Resources	Web content Accessibility Guidelines 2.1 (WCAG 2.1)	Planning
People	Multi Agency Safeguarding Hub (MASH)	Not yet started
CR06 Customer Demand		
Resources	Complaints and Information	Not yet started
CR07 Digital Technology		
Resources	IT Statutory Compliance	Not yet started
Cross Cutting	Schools Cyber Security	Not yet started
CR08 Major Incident		
CEX	Business Continuity Planning	Not yet started
Cross Cutting	Board Reporting	Fieldwork in progress
Cross Cutting	Use of Spreadsheets	Not yet started
CR09 Health and Safety		
Cross Cutting	Corporate Health and Safety Board	Planning
Cross Cutting	Security Board	Planning
CR10 Housing		
Place	Housing Repairs and Maintenance	Planning
Place	Housing Development Programme Management – Bury Street West	Not yet started
CR11 Regeneration and Growth		
Cross Cutting	Governance and Management – Cemetery Project	Not yet started
Cross Cutting	Governance and Management – Building Bloqs	Planning
Place	Meridian Water - Supply Chain Risks	Not yet started
Place	Meridian Water: Financial Management of Capital Expenditure	Not yet started
CR12 Supply Chain and Contract Management		
Place	Highways Inspections	Not yet started
Cross Cutting	PFI Contract Monitoring	Not yet started
CR13 Commercial Ventures		
LATC	Housing Gateway Limited (HGL) - Disabled Facilities Grant Process	Not yet started
LATC	Housing Gateway Limited (HGL) - Suitability Assessment Process for HGL properties	Not yet started
CR14 Staffing		
Cross Cutting	Whistleblowing, Grievances and Disciplinary Procedures	Not yet started
Cross Cutting	Culture	Cancelled
CR15 Tax		
<i>No planned audits</i>		

Dept.	Audit Title	Status
CR16 Community Cohesion		
<i>No planned audits</i>		
CR17 Climate Change		
Place	Waste Services Contract	Planning
Place	Green Homes Grant	Complete
CR18 Equality, Diversity, and Inclusion		
<i>No planned audits</i>		
CR19 Legislation, Regulations and Standards		
CEX	Organisational Governance	Cancelled
Place	Building Safety	Not yet started
CEX	Supporting Members	Not yet started
CR20 Financial Management		
Resources	Financial External Audit Process	Not yet started
Resources	Accounts Receivable	Not yet started
Resources	General Ledger	Not yet started
Resources	Business Rates Process	Not yet started
Resources	Payroll - Calculations	Not yet started
Other		
CEX	Mayor of the London Borough of Enfield Appeal Fund Accounts 2021/22	Not yet started
People	Chase Community School	Planning
People	The Latymer School	Not yet started
People	Freezywater St George's CE Primary School	Not yet started
People	St Andrew's (Enfield) CE Primary School	Planning
People	St Ignatius College	Not yet started
People	West Lea School	Not yet started
People	Highfield Primary School	Not yet started
SHCC	Carterhatch Infants School	Planning

APPENDIX C: Overdue High Risk Actions

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
Chief Executive's Department					
Recruitment	Records & Documents - i-Grasp	<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>We will ensure appropriate engagement takes place with Digital Services to investigate, procure and 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>	31-Aug-2021	<p>Update January 2022</p> <p>a) Implemented</p> <p>b) Current system does not allow for this, engaging with DS colleagues. iGrasp will no longer be supported at end of 2022.</p>	31-Oct-2022
Recruitment	Monitoring & Reporting- Management Information	<p>We will:</p> <p>a) Review our recruitment processes and identify and actively manage key performance indicators.</p> <p>b) Engage with the Knowledge and Insight Hub to identify effective methods of reporting recruitment performance.</p> <p>c) Ensure reporting requirements for the Service and its stakeholders are included in the specification for a replacement application.</p>	31-Jul-2021	<p>Update September 2021</p> <p>a & b) Recruitment activities and reports are integrated in the workforce quarterly reports and the annual workforce reports provided by Knowledge and Insight Hub. HR will continue to work with Knowledge and Insight Hub to improve on this reporting based on the limited functionality of existing systems. In the meantime, reporting will be based</p>	31-Oct-2022

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
				<p>on what can be extracted manually and reliably reported.</p> <p>c) Implemented.</p>	
People Department					
Schools' Financial Monitoring	Financial regulation and guidance	<p>To support good financial management practices in schools, the Finance Manual for Schools, which underpins the Scheme for Financing Schools will be updated in line with current requirements, legislation and best practice.</p> <p>An external consultant will be appointed to update the Finance Manual (subject to cost). When finalised the manual will be made available to all maintained schools. Thereafter the manual will be reviewed at least annually or as and when significant changes take place.</p>	01-Sep-2021	<p>Update May 2022</p> <p>The first draft of the manual is now subject to a wider internal review process engaging with relevant officers. A small group of school business managers will then be engaged in a final review process, aiming to launch the manual for the start of the new academic year in September 2022.</p>	30-Sep-2022
Secondary Behaviour Support Service	Referral Processes	<p>The Service will ensure that:</p> <ul style="list-style-type: none"> - Intervention record sheets are completed in full and include: <ul style="list-style-type: none"> - the agreed number of sessions to be undertaken - the sessions actually carried out - the progress each student has made. - Progress notes for all intervention provisions will be completed and held in full. - A meeting is held with the school at the end of each intervention programme to discuss, review and agree any recommended next 	31-Mar-2022	<p>Internal Audit Review, May 2022</p> <p>Action is progressed with a revised date of 31 July 2022.</p>	31-Jul-2022

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
		steps before support is withdrawn. - Any recommended tests are formally followed up. - All referral spreadsheet entries are recorded correctly and checked for accuracy.			
Secondary Behaviour Support Service	Case Reviews	The Service will formalise a case review process ensuring that an agreed proportion of referrals are discussed, and that learning is identified, recorded and shared across the team. This process will be included as a part of the Service's procedure notes (see finding 4).	31-Mar-2022	Internal Audit Review, May 2022 Action is progressed with a revised date of 31 July 2022.	31-Jul-2022
Place Department					
Facilities Management of Youth Centres	Corporate Landlord Responsibilities	The Corporate Compliance Officer will continue working with the Buildings and Lettings Officer to ensure that: - All statutory and service compliance checks are carried out and documented in a timely manner; - Exceptions identified in this audit from the compliance report are investigated and resolved as a matter of urgency; - All information is centralised and recorded in the Atrium system, including fire extinguisher checks; - All exceptions are included in the quarterly Health and Safety Board report. The Atrium System Facilitator will arrange for FM staff to gain access to Atrium.	31-Dec-2020	Update May 2022 The SLA is still being negotiated. However, the Head of Service is confident that this is moving forward and that a final agreement will be in place soon.	30-Jun-2022
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:	31-Dec-2020	Update May 2022 The SLA is still being negotiated.	30-Jun-2022

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
		<ul style="list-style-type: none"> - The use of youth centre premises; - Clear roles and responsibilities of officers and third -party organisations; - Terms and conditions of hire; - Invoicing and payment procedures; - Record keeping and documentation; - Corporate landlord responsibilities; - General upkeep and maintenance of the premises. <p>b) The policy and procedures documentation will be reviewed annually and communicated to staff.</p> <p>c) The Corporate Landlord policy will be reviewed and updated to reflect changes in the roles and responsibilities of officers.</p>		However, the Head of Service is confident that this is moving forward and that a final agreement will be in place soon.	
Resources Department					
DWP Memorandum of Understanding	Baseline Personnel Security Standard (BPSS) Checks	<p>a) We will identify all relevant data users and system administrators working with the Council under the status of Contracted Service Provider and ensure that BPSS checks are undertaken.</p> <p>b) The outcome of these checks will be retained and copied to the Digital Services systems administrators.</p> <p>c) We will review the Civica contract to determine what assurances are required for Civica staff that access DWP/HMRC data on our behalf and will ensure these assurances are in place.</p>	31-Mar-2022	Internal Audit Review, May 2022 a) Implemented b) Implemented c) Progressed. The review with Civica on Demand is in progress. The revised target date is 30 September 2022.	30-Sep-2022
DWP Memorandum of Understanding	GDPR Training	a) The Head of Financial Assessments, together with the Governance Working Group, will ensure that:	31-Mar-2022	Internal Audit Review, May 2022 All staff have completed training except two, who have just returned	30-Jun-2022

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
		<ul style="list-style-type: none"> - All data users and system administrators, who have not already done so, will complete GDPR training as soon as possible. - Records are retained to confirm GDPR training has been completed. - Annual training reminders are sent to relevant staff. <p>b) Regular reports will be provided to the Governance Working Group to confirm compliance.</p>		<p>from long term absence. Therefore, this has progressed, and the revised target date is 30 June 2022.</p>	