London Borough of Enfield

Report Title:	Internal Audit Annual Report 2022-23
Report to:	General Purposes Committee
Date of Meeting:	26 July 2023
Cabinet Member:	Cllr Tim Leaver, Cabinet Member for Finance and Procurement
Directors:	Terry Osborne, Director of Law & Governance
Report Author:	Gemma Young, Head of Internal Audit & Risk Management Gemma.Young@Enfield.gov.uk
Wards affected:	All
Classification:	Part I Public

Purpose of Report

1. The Internal Audit Annual Report 2022-23 (**Annex A**) summarises:

   - the results of the work that the Internal Audit team has undertaken during 2022-23
   - the continued work of the Head of Internal Audit and Risk Management in collaboration with the internal Assurance Board to target limited resources at the highest priority services
   - the opinion of the Head of Internal Audit and Risk Management that there is **Reasonable** assurance over the arrangements for governance, risk management and internal control in the London Borough of Enfield
   - the actions the Internal Audit team will implement to ensure the continuous improvement of the service

Recommendations

I. To note the work completed by the Internal Audit team during the period 1 April 2022 to 31 March 2023 and the key themes and outcomes arising from this work.

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Appendices
Annex A – Internal Audit Annual Report 2022-23

Background Papers
None

CE23/002

Annex A

Internal Audit Annual Report 2022-23

July 2023

Summary of Internal Audit Work

Internal Audit

This report summarises the internal audit work undertaken during 2022-23 and provides an overview of the effectiveness of controls in place during the year.

In 2022-23, 65 assignments were undertaken, and audit opinions were given for 43 of these assignments. The remaining assignments included grant certifications and standalone advisory assignments for which no opinion was stated.

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

Internal Audit Purpose and Mission

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

Governance

The Head of Internal Audit and Risk Management reports functionally to the General Purposes Committee and administratively to the Director of Law and Governance. Additionally, the Assurance Board takes a key role in overseeing the work of the Internal Audit team. Briefly the functions carried out by the General Purposes Committee and the Assurance Board are:

General Purposes Committee

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

Assurance Board

- reviews the Internal Audit Plan annually
- reviews progress against the Internal Audit Plan
- reviews the implementation of agreed audit actions
- receives verbal updates from owners of Limited or No assurance audits and from owners of overdue audit actions

Internal Audit Plan 2022-23

An Internal Audit Plan covering the financial year 2022-23 was agreed with the General Purposes Committee on 3 March 2022. As the year progressed, Internal Audit continued to liaise with Executive Directors, Directors and Heads of Service and changes to the plan were made as a result. These changes are outlined in **Appendix 2.**

Internal Audit Methodology

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

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

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

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

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

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

The Head of Internal Audit and Risk Management has responsibility for services which, although related, are outside of the remit of the Internal Audit team. These

services are Counter Fraud, Insurance, Risk Management and Data Protection. To avoid potential impairment of objectivity, these services are risk assessed alongside other Council services in formulating the Internal Audit Plan. Where reviews are required, these are undertaken by the Councils co-source partner, PwC.

Audit Actions Implementation

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

Annual School Internal Audit Report

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

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

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

Annual Audit Opinion

Introduction

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

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

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

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

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

Head of Internal Audit and Risk Management's Annual Opinion

The General Purposes Committee agreed to an internal audit plan covering 65 subject areas. The work programme was targeted at the Council's highest risk areas of operation. I am satisfied that sufficient internal audit work has been undertaken to allow an opinion to be given as to the adequacy and effectiveness of governance, risk management and control. It should be noted that assurance can never absolutely state that there are no major weaknesses in the system of internal control.

My opinion for 2022-23 is as follows:

Reasonable Assurance

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

Basis of the opinion

The basis for forming my opinion is as follows:

- an assessment of the design and operation of the underpinning assurance framework and supporting processes
- an assessment of the range of individual opinions arising from risk based audit assignments delivered during the year
- an assessment of management's progress in addressing control weaknesses both this year and carried forward from 2021-22

- any reliance that is being placed on third party assurances
- the effects of any significant changes in the Council's objectives or systems
- cumulative audit knowledge and intelligence gathered through attendance at key meetings and other working groups
- any limitations which may have been placed on the scope or resources of internal audit

In summary, the Head of Internal Audit and Risk Management's opinion is **Reasonable** which is consistent with 2021-22. The principal reasons for this opinion are:

- the profile of audit opinions given in individual audit reports during the year remains within parameters consistent with 2021-22
- there has been a continued focus on implementing audit actions resulting in improved implementation rates
- the risk management culture in the Council continues to improve:
    - continued communication and specialist training around Everyone's a Risk Manager
    - ongoing integration of risk management into existing operational processes
    - specialised risk workshops held with services
    - increased utilisation of the Council's risk management software.

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

Analysis of Internal Audit Work

Overview of work done

The internal audit plan was designed to be flexible, and reviews have moved in and out of the work programme during the year to accommodate the Council's changing risk profile and ability to obtain assurances from other reliable sources. This resulted in a reduction of 18 reviews from the agreed audit plan of 71 audits. However, 12 new assignments were undertaken to substitute for some of the cancelled or deferred audits, resulting in a total of 65 assignments undertaken in 2022-23. The changes were notified to the General Purposes Committee during the year and have not impacted upon the assurance opinion. Full details of changes to the audit plan are given in **Appendix 3**.

Key points to note from the delivery of the 2022-23 audit plan are:

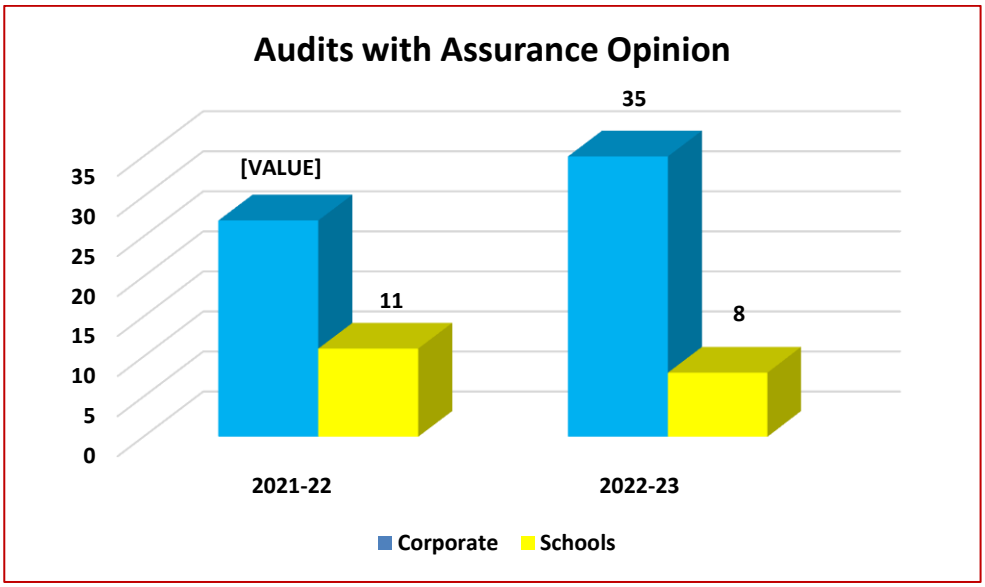
- internal auditors were independent of the areas audited
- no significant limitations or restrictions were placed on the scope or resources of Internal Audit
- the Head of Internal Audit and Risk Management attended departmental management team meetings and Assurance Board meetings during the year to present ongoing and planned internal audit work, including the implementation of agreed audit actions. This enabled Internal Audit to provide early input on risk management and internal control matters for key activities and projects
- Internal Audit operated a co-sourced model in partnership with PwC. This continued to provide the Council with the ability to access specialist resources especially in the areas of Finance and Digital Services
- Internal Audit follows the Public Sector Internal Audit Standards (PSIAS). The PSIAS require an independent peer review to be carried out every 5 years. This was last carried out in January 2020. This year we performed a self- assessment and the findings from this have informed our Quality Assessment Improvement Plan (QAIP). Details of the QAIP are given in **Appendix 5**
- the work of the Council's Counter Fraud team was reported to the General Purposes Committee via a separate report on 28 June 2023.

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

Audit outcomes

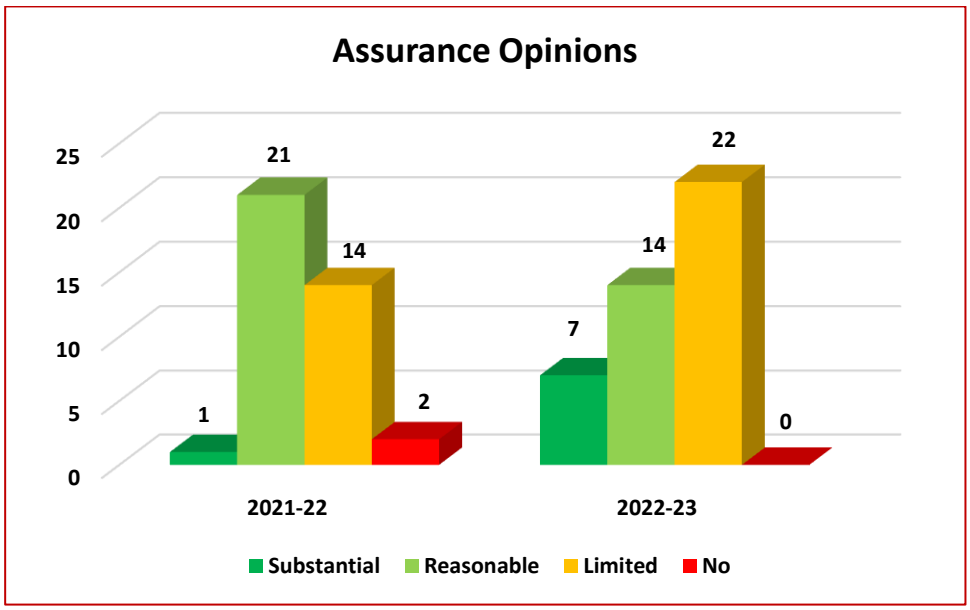
The Council's Internal Audit Plan covered the Council's key processes and systems and those operating in Enfield's schools.

In 2022-23, 65 audits (2021-22: 59) were commissioned through the Council and monitored by the Assurance Board, of which 43 (2021-22: 38) received an assurance rating.

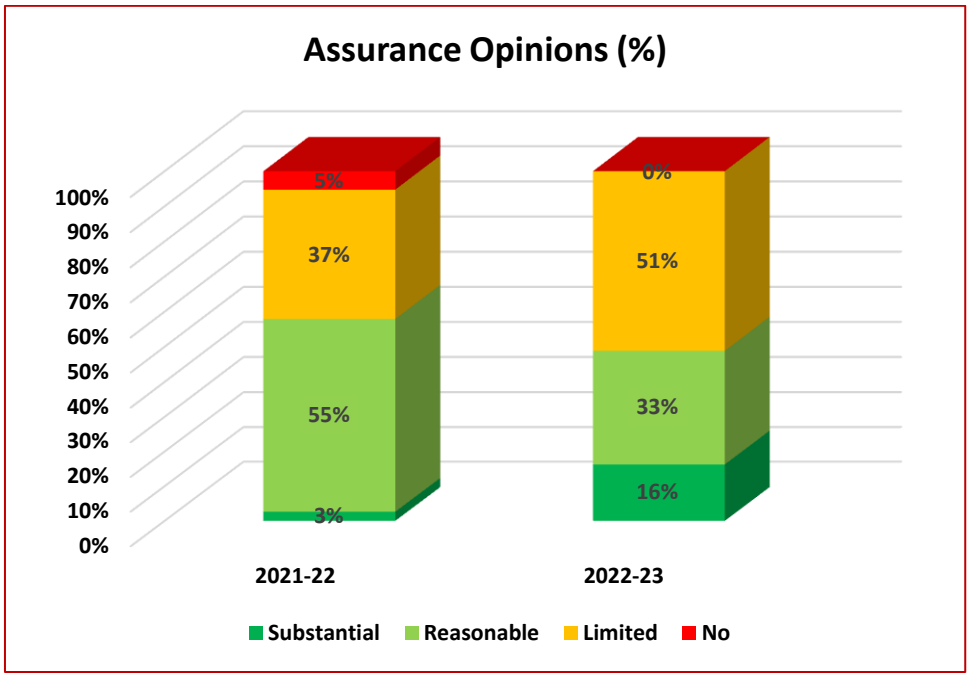


35 of the audits that received an assurance opinion were targeted at key corporate services and 8 were schools' audits. This compares to 27 corporate audits and 11 schools' audits in 2021-22.

The assurance opinions given for 2022-23 compared to 2021-22 can be summarised as follows:

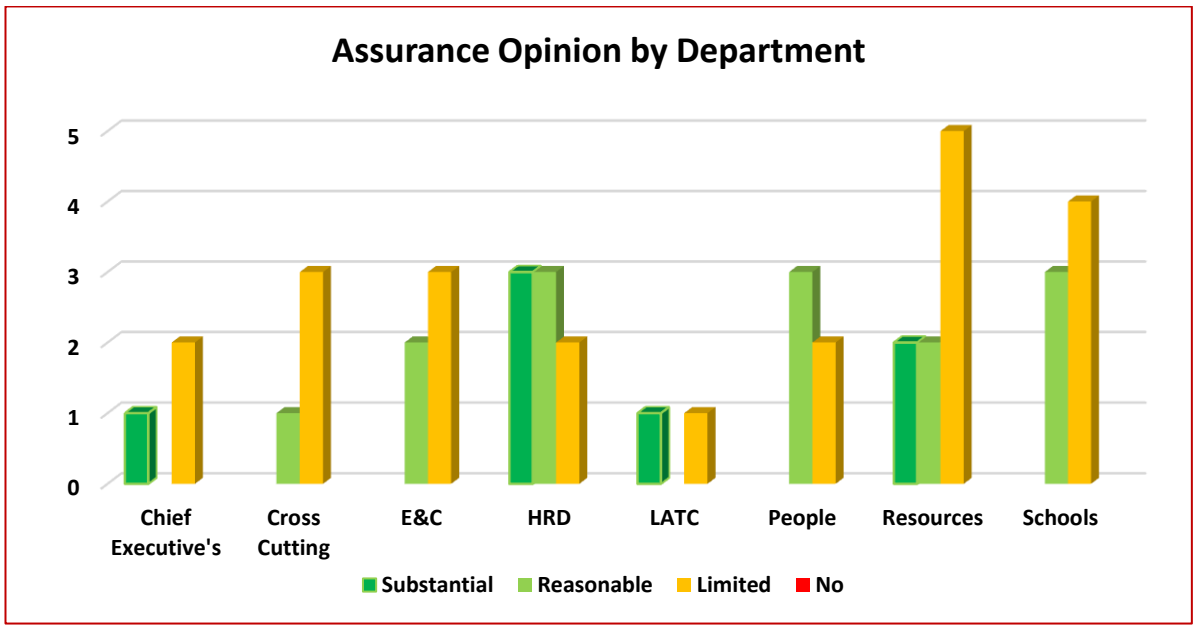


The following chart shows the assurance opinions given as a percentage of audits carried out:



In arriving at our view that the overall audit opinion for 2022-23 is **Reasonable**, we have taken into account the fact that we did not issue any No opinions in 2022-23 and there was an increase in Substantial opinions compared to 2021-22.

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



22 **Limited** assurance opinions were issued in 2022-23. These audits were:

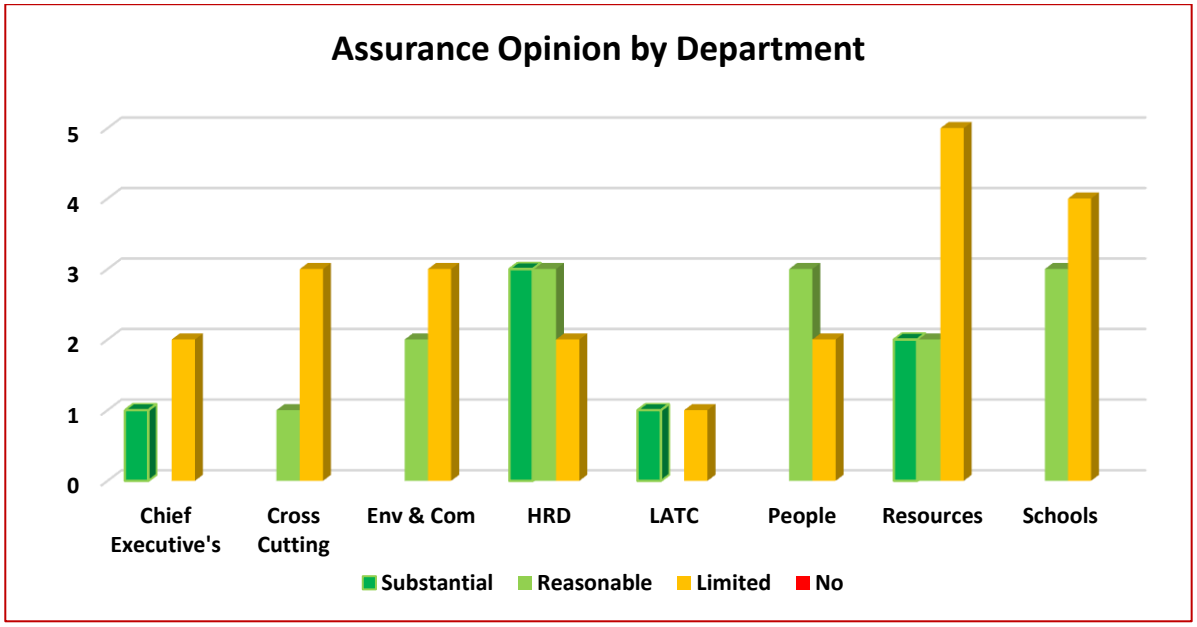
Dept.	Audit	Assurance Level	Actions			
			Critical	High	Medium	Low
Cross Cutting	Payments to Residential Care Providers	**Limited**	-	2	3	-
Cross Cutting	Corporate Health & Safety Board	**Limited**	-	1	4	2
Cross Cutting	Governance and Management of a Key Capital Project - Building Bloqs	**Limited**	-	1	-	-
Environment & Communities	Parking Contract	**Limited**	-	1	3	-
Environment & Communities	Web Content Accessibility Guidelines 2.1 (WCAG 2.1)	**Limited**	-	1	3	-
Environment & Communities	Recycling Waste Services Contract	**Limited**	-	2	2	1
Housing, Regeneration & Development	Economic Strategy	**Limited**	-	1	2	2
Housing, Regeneration & Development	Planning (CIL/S106)	**Limited**	-	2	3	-
LATC	Housing Gateway Limited (HGL) - Disabled Facilities Grant Process	**Limited**	-	1	2	-
People	Household Support Fund and Holiday & Food Grant	**Limited**	-	4	-	-
People	Children's Multi Agency Safeguarding Hub (MASH)	**Limited**	-	1	2	1
Resources	Transformation – Income and Debt Programme	**Limited**	-	1	3	2
Resources	Digital Services Procurement	**Limited**	-	1	3	-
Resources	General Ledger	**Limited**	-	1	1	3

Dept.	Audit	Assurance Level	Actions			
			Critical	High	Medium	Low
Resources	Business Rates Process	**Limited**	-	1	2	-
Resources	Financial External Audit Process	**Limited**	-	1	4	-
Chief Executive's	Staff Ethical Standards	**Limited**	-	2	4	-
Chief Executive's	Business Continuity Planning	**Limited**	-	1	3	1
Schools	The Latymer School	**Limited**	-	1	6	8
Schools	St Ignatius College	**Limited**	-	2	4	13
Schools	West Lea School	**Limited**	-	2	5	11
Schools	Highfield Primary School	**Limited**	-	1	5	15

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

Agreed actions

In total, 237 actions for improvement have been discussed and agreed with management, including 34 actions addressing high risk findings. No critical risk actions were identified in 2022-23. The actions are broken down by Department in the following chart:

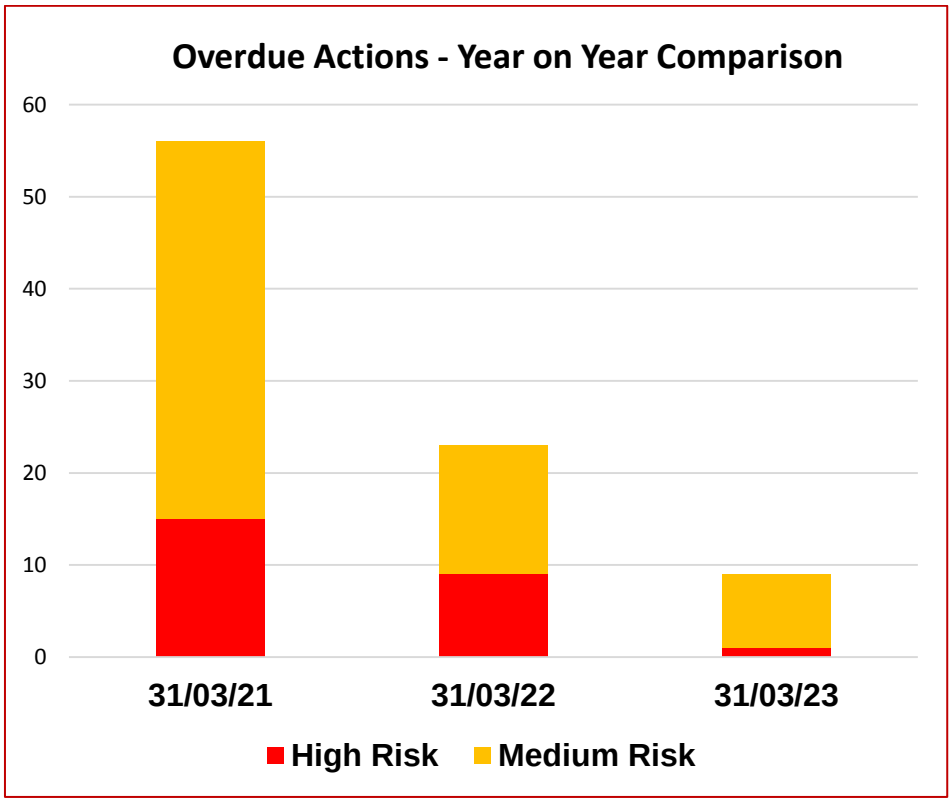


Due to the nature of the schools' audit programme it is not unexpected that a higher number of actions are allocated to schools.

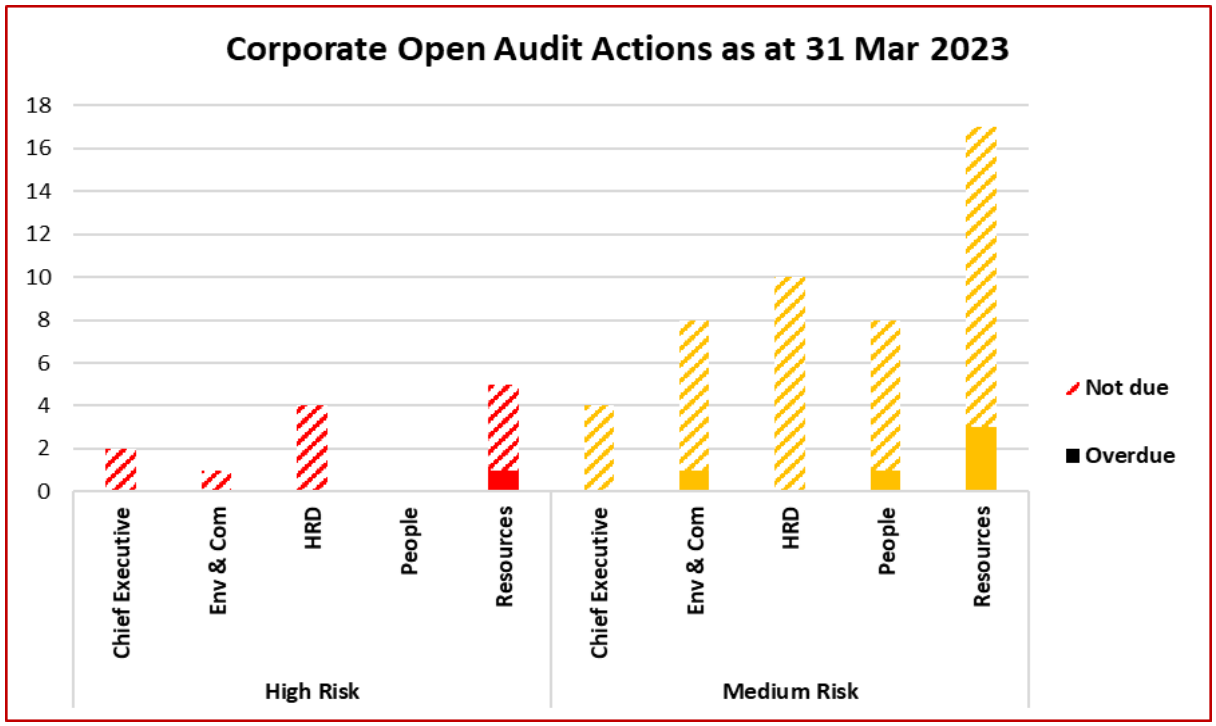
Action implementation

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

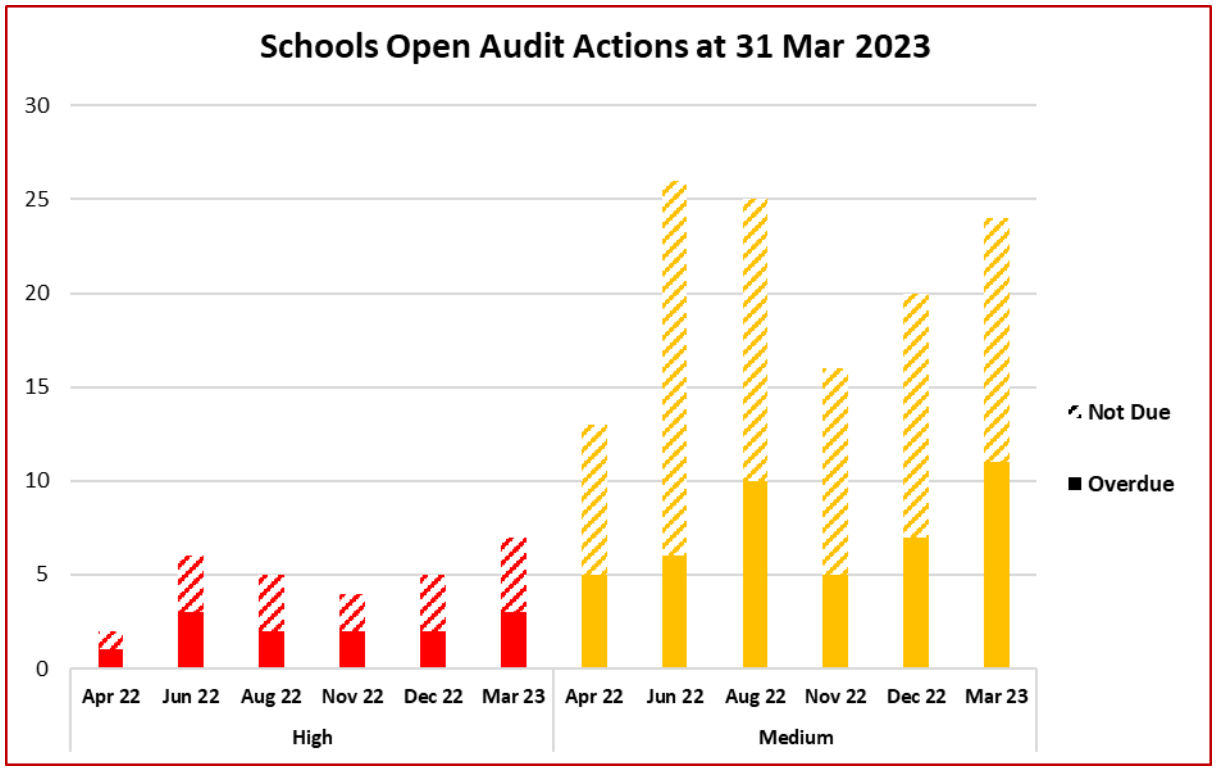
As can be seen from the following chart, significant progress has been made in implementing actions since 2020-21. The Assurance Board's focus on implementing actions has contributed to this improvement. This progress is also a factor in the overall **Reasonable** opinion for the year.



Open audit actions at 31 March 2022 by Corporate Department are shown in the chart below:



The chart for schools also shows an improvement in action implementation:



Key Themes Identified

During 2022-23 a good level of engagement between Internal Audit and senior management has continued. This has enabled the Internal Audit team to focus on key areas of risk as well as work closely with management to formulate actions to address areas where improvement is required.

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

- ## Statement of Accounts

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

We understand that work is continuing on the more recent Statements of Accounts and that the external auditors are planning to qualify their Value for Money opinion in the 2019-20 accounts. Internal Audit will consider this qualification as part of our audit planning going forward.

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

- ## Governance arrangements

Further improvements are required to strengthen the governance environment. In particular, we have continued to find that compliance with the Council's Contract Procedure Rules can be improved. Additionally, there is scope for better contract management practices to be put in place and widely understood.

We also found there is scope for improving the wider understanding of related party transactions and conflicts of interest in relation to procuring services particularly in schools.

In some areas, policies and procedures, including authorisation, review and monitoring procedures have not been put in place and/or kept up to date. We also found that invoices are not always properly checked before payments are authorised.

- ## Performance monitoring

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

- ## Project management

We found that best practice project management disciplines (including budget and milestone setting and clearly documented decision making processes) had not been adopted in a number of cases.

• Data Protection

Improvements are required to ensure all necessary data sharing and data processing agreements are in place.

• Risk Management

The Audit and Risk Management Service continues to embed risk management into the organisation.

Key Risk Management improvements during 2022-23 were:

- We continued to reinforce the message that Everyone's a Risk Manager through extended risk management training made available to all Council staff including training from an external specialist. This enables strategic, pro-active, and holistic management of risks
- We increased utilisation of the Council's risk management software for recording and monitoring risks
- We held specialised risk workshops with services which assisted in integrating risk management into existing operational processes.

Key planned Risk Management activities for 2023-24 are:

- Aligning the Corporate Risk Register with The Orange Book 2023 issued by the Government Finance Function and HM Treasury
- Increased focus on risk management awareness and communications
- Forward looking horizon scanning and peer review of the Corporate Risk Register
- Building on the risk management training by offering further sessions, enhancing our e-learning training modules and undertaking deep dive reviews
- Improving reporting by utilising the growing data available on the Council's risk management software.

Internal Audit Quality Assurance

External Assessment

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

Internal Assessment

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

We have undertaken a self-assessment against the PSIAS, including an assessment of the progress made against the recommendations made during the 2019-20 external review conducted CIPFA.

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

Fully conforms	**95%**
Partially Conforms	**4%**
Non-compliant	**1%**

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

Internal Audit Performance during 2022-23

The performance of the Internal Audit service has been measured during 2022-23 and is shown in the following table:

KPI/Quality Metric	Target	Actual
Audit plan to be delivered to draft report stage by 31 March	95%	100%
Days from end of fieldwork to issue of draft report	15 days	16 days
Days from receipt of management comments to issue of final report	10 days	5 days
Survey responses	80%	86%
Terms of reference reviewed and approved by the Head or Deputy Head of Internal Audit and Risk Management	100%	100%

KPI/Quality Metric	Target	Actual
Supervision of engagements	100%	100%
Draft report reviewed and approved by the Head or Deputy Head of Internal Audit and Risk Management	100%	100%
Final report reviewed and approved by the Head or Deputy Head of Internal Audit and Risk Management	100%	100%

Appendix 1: Detailed Analysis of 2022-23 Internal Audit Reviews

Cross Cutting

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Payments to Residential Care Providers	PwC	Complete	Limited	-	2	3	-	-
ContrOcc - Lessons Learnt	In House	Complete	N/A – Management Letter	-	-	-	-	-
Contain Outbreak Management Fund Grant (COMF) and Local Authority Test and Trace Grant Certification	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Local Authority Test and Trace Support Grant	In House	Cancelled		-	-	-	-	-
Protect and Vaccinate Grant	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Smarter Working - Clear Desk Policy	In House	Cancelled		-	-	-	-	-
Data Governance	PwC	Cancelled		-	-	-	-	-
Use of Spreadsheets	PwC	Cancelled		-	-	-	-	-
Board Reporting	In House	Cancelled		-	-	-	-	-

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Corporate Health and Safety Board	In House	Complete	Limited	-	1	4	2	-
Corporate Security Board	PwC	Complete	N/A – Advisory	-	-	-	-	-
Governance and Management of a Key Capital Project 1 - Cemetery Project	In House	Cancelled		-	-	-	-	-
Governance and Management of a Key Capital Project 2 - Building Bloqs	In House	Complete	Limited	-	1	-	-	-
Whistleblowing, Grievances and Disciplinary Procedures	In House	Complete	Reasonable	-	-	3	1	-
Culture	PwC	Cancelled		-	-	-	-	-
Green Homes Grant	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Mayor of the London Borough of Enfield Appeal Fund Accounts 2021/22	In House	Complete	N/A – Management Letter	-	-	-	-	-

Environment & Communities

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Parking Contract	In House	Complete	Limited	-	1	3	-	-
Culture Recovery Fund III	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Web Content Accessibility Guidelines 2.1 (WCAG 2.1)	PwC	Complete	Limited	-	1	3	-	-
Complaints and Information	PwC	Complete	Reasonable	-	-	2	1	-
Highways Inspections	In House	Deferred		-	-	-	-	-
Oversight of Energetik Loan Repayments and Connection Timelines	PwC	Complete	Reasonable	-	1	1	-	-
Recycling Waste Services Contract	In House	Complete	Limited	-	2	2	1	-

Housing, Regeneration & Development

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Land/Property Disposals	PwC	Complete	Substantial	-	-	-	3	-
Economic Strategy	PwC	Complete	Limited	-	1	2	2	-

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Biodiversity Net Gain (BNG) Grant	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Meridian Water Community Chest Grants	In House	Complete	Reasonable	-	-	4	4	-
Planning (CIL/S106)	PwC	Complete	Limited	-	2	3	-	-
Housing Repairs and Maintenance	PwC	Complete	Reasonable			2	1	
Housing Development Programme Management - Bury Street West	In House	Complete	Reasonable	-	-	1	1	-
Meridian One Supplier Management	PwC	Complete	Substantial	-	-	-	1	-
Meridian Water: Financial Management of Capital Expenditure	PwC	Complete	Substantial	-	-	-	-	-
Building Safety	In House	Deferred						

Local Authority Trading Companies

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Housing Gateway Limited (HGL) - Disabled Facilities Grant Process	In House	Complete	Limited	-	1	2	-	-
Housing Gateway Limited (HGL) - Suitability Assessment Process for HGL properties	PwC	Complete	Substantial	-	-	1	1	-

People

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Supporting Families - May	In House	Cancelled						
Supporting Families - June	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Supporting Families - July	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Supporting Families - Aug	In House	Cancelled						
Supporting Families - Sept	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Supporting Families - Oct	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Supporting Families - Nov	In House	Cancelled		-	-	-	-	-

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Supporting Families - Dec	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Supporting Families - Jan	In House	Cancelled		-	-	-	-	-
Supporting Families - Mar	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Public Health Grant	In House	Complete	Reasonable	-	1	3	-	-
Bus Service Operators Grant	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Highlands School Grant Certification	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Universal Drug Treatment Grant	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Adult Weight Management Grant	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Orchardside School Grant Certification - Alternative Provision Specialist Taskforces Programme	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Household Support Fund and Holiday & Food Grant	PwC	Complete	Limited	-	4	-	-	-
Passenger Services Operations - Adults	In House	Complete	Reasonable	-	-	2	5	-
Enfield Early Help for All Strategy	In House	Cancelled		-	-	-	-	-
Post 16 Services	In House	Deferred		-	-	-	-	-

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Multi Agency Safeguarding Hub (MASH)	In House	Complete	Limited	-	1	2	1	-
SEN Commissioning	In House	Complete	N/A – Management Letter	-	-	-	-	-
PFI Contract Monitoring	PwC	Deferred		-	-	-	-	-
Local Youth Justice Re-Offending Rates	In House	Complete	Reasonable	-	-	5	-	-

Resources

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Transformation – Income and Debt Programme	In House	Complete	Limited	-	1	3	2	-
Education Funding	In House	Deferred		-	-	-	-	-
Test and Trace Support Payments Scheme	In House	Complete	N/A – Grant Certification	-	-	-	-	-
Blue Badges	In House	Complete	Reasonable	-	-	1	2	-
IT Statutory Compliance	In House	Complete	Reasonable	-	-	3	1	-
DS Procurement	In House	Complete	Limited	-	1	3	-	-

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Accounts Receivable	PwC	Complete	Substantial	-	-	-	-	-
General Ledger	PwC	Complete	Limited	-	1	1	3	-
Business Rates Process	In House	Complete	Limited	-	1	2	-	-
Payroll - Calculations	PwC	Complete	Substantial	-	-	-	-	-
Financial External Audit Process	PwC	Complete	Limited	-	1	4	-	2

Chief Executive's

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Members' Ethics and Supporting Members	PwC	Complete	Substantial	-	-	-	-	-
Staff Ethical Standards	In House	Complete	Limited	-	2	4	-	-
Business Continuity Planning	PwC	Complete	Limited	-	1	3	1	-
Organisational Governance	PwC	Cancelled		-	-	-	-	-
Supporting Members	In House	Cancelled		-	-	-	-	-

Schools

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks	Advisory Risks
Schools Cyber Security	In House	Complete	N/A – Management Letter	-	-	-	-	-
Chace Community School	In House	Complete	Reasonable	-	-	4	7	1
The Latymer School	In House	Complete	Limited	-	1	6	8	-
Freezywater St George's CE Primary School	In House	Deferred		-	-	-	-	-
St Andrew's (Enfield) CE Primary School	In House	Complete	Reasonable	-	1	1	9	1
St Ignatius College	In House	Complete	Limited	-	2	4	13	2
West Lea School	In House	Complete	Limited	-	2	5	11	1
Highfield Primary School	In House	Complete	Limited	-	1	5	15	2
Carterhatch Infants School	In House	Complete	Reasonable	-	-	3	7	1

Appendix 2: Changes to the 2022-23 Plan

The Council's Internal Audit Plan is flexible to ensure that the audit resource available is focused on the key risk areas. Therefore, reviews have been removed or added to the Plan during the year. The changes have not impacted on the level of assurance that has been obtained over key risks across the Council. The table below sets out the key changes to the 2022-23 Internal Audit Plan.

Area	Audit	Change	Explanation
Resources	Education Funding	-1	This priority 2 audit was cancelled to align the internal audit plan to available resource.
Cross Cutting	Local Authority Test and Trace Support Grant	-1	Advised by Finance that this grant is to be reported jointly with the Contain Outbreak Management Fund (COMF) grant. Therefore, this separate grant cancelled.
People	Supporting Families - May	-1	Audit cancelled at client request. Sample included in June certification.
People	Supporting Families - Aug	-1	Cancelled at client request. Sample included in September certification.
People	Supporting Families - Nov	-1	Cancelled at client request. Sample included in December certification.
People	Supporting Families - Jan	-1	Cancelled at client request. Sample included in March certification.
Cross Cutting	Data Governance	-1	As higher priority audits were added to the plan, this priority 2 audit was cancelled to align the internal audit plan to available resource.
Cross Cutting	Smarter Working Policy	-1	Audit cancelled to align the internal audit plan to resources available.
People	Enfield Early Help for All Strategy	-1	In preparation for a bid to the Department for Education linked to Early Help, the Council has recently reviewed the early help strategic governance with partners. As a result, a higher priority audit has been added to the plan and this priority 2 audit has been cancelled.
People	Post 16 Services	-1	Agreed with the Director of Education to defer to 2023-24, pending delayed announcements from the Department for Education regarding defunded courses.
Place	Governance and Management of a Key Capital Project 1 - Cemetery Project	-1	Agreed to cancel at Place Department Management Team meeting. A review of this project has already been undertaken and changes have been made.

Area	Audit	Change	Explanation
People	PFI Contract Monitoring	-1	As higher priority audits were added to the plan, this priority 2 audit was cancelled to align the internal audit plan to available resource.
Place	Highways Inspections	-1	The implementation of a new inspection regime was delayed. Therefore, the audit has been deferred to 2023-24 when new inspections will have been embedded.
Cross Cutting	Culture	-1	As higher priority audits were added to the plan, this priority 3 audit was cancelled to align the internal audit plan to available resource.
Place	Building Safety	-1	The full implementation of new building safety legislation has not been completed, and the audit is best timed to review our compliance when all aspects of the new arrangements are in place. The audit will now take place in 2023-24.
Chief Executives	Supporting Members	-1	To align resources this audit was combined with the Members' Ethics audit.
Chief Executives	Organisational Governance	-1	As higher priority audits were added to the plan, this priority 3 audit was cancelled to align the internal audit plan to available resource.
Schools	Freezywater St George's CE Primary School.	-1	Due to the absence of key staff at the school, this audit has been deferred to 2023/24.
Place	Culture Recovery Fund III	+1	Deferred from 2021-22.
Cross Cutting	Protect and Vaccinate Grant	+1	Grant certification required.
People	Highlands School Grant	+1	Grant certification required
People	Universal Drug Treatment Grant	+1	Grant certification required
People	Adult Weight Management Grant	+1	Grant certification required
CEX	Staff Ethical Standards	+1	Deferred from 2021-22
Cross Cutting	Household Support Fund (HSF) and Holiday & Food Grant (HFG)	+1	Requested by Executive Director, People to confirm appropriate processes and controls are in place in relation to the operation of the HSF and HFG
People	Youth Justice Re-offending Rates	+1	Requested by Executive Director, People to confirm data accuracy and readiness for new reporting requirements.

Area	Audit	Change	Explanation
People	SEN Commissioning	+1	Deferred from 2021-22.
Cross Cutting	Security Board	+1	Deferred from 2021-22.
Place	Meridian Water: Financial Management of Capital Expenditure	+1	Deferred from 2021-22
Resources	Oversight of Energetik Loan Repayments and Connection Timelines	+1	To review performance monitoring of connection timelines and loan repayments.
	TOTAL	**-6**	

Appendix 3: Assurance Levels and Risk Ratings

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

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

Appendix 4: Limitations and responsibilities

Limitations inherent to the internal auditor's work

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

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

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

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

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

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

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

Appendix 5: Internal Audit Quality Assurance Improvement Plan

Standard	Compliance	Observations	Action	Target Date
Core Principles for the Professional Practice of Internal Auditing - **Communicates Effectively**	**Conforms**	There is effective communication through regular attendance at, Departmental Management Team (DMT), Executive Management Team (EMT) meetings as well as Assurance Board and General Purposes Committee. All attendance is supported with comprehensive written progress reports. Communication is accurate, objective, clear, concise, constructive, complete, and timely. However, a greater awareness of good controls, and the audit process more generally across the Council, may aid understanding and improve the working relationships during the audit process.	Develop an Internal Audit Communications Plan to provide help and understanding around good controls and the audit process more generally. This will include lunch and learn sessions, newsletters, videos, use of intranet content and Staff Matters. During 2023-24 we will also review all our communications to ensure they are clear, concise and use technology to its best advantage.	31 October 2023
Core Principles for the Professional Practice of Internal Auditing - **Is insightful, proactive, and future-focused?**	**Conforms**	Internal Audit works closely with audit clients to understand their service areas, the risks they face and any upcoming changes whether those be legislative or otherwise. As a result, we aim to make our findings insightful and forward thinking. Our scoping checklist includes questions and activities (such as carrying out independent research) to further these aims also. Our formal PSIAS	As part of continuous improvement of the service, we improved our terms of reference and reporting to demonstrate how our audits add value. We strive to ensure our reports are insightful and future focused. We continue to attend relevant training and webinars and discuss issues at team meetings.	On-going On-going

Standard	Compliance	Observations	Action	Target Date
		review highlighted that this is an area we need to improve on, and we are working on this.	During 2022-23, we used alternative approaches to gathering audit evidence (e.g. on-line surveys and focus groups) and also produced a report that was mainly graphical. We've also presented information in tabular and graphical format in our regular audit reports. We will continue to develop alternative and novel approaches to gathering audit evidence and reporting.	Ongoing
Code of Ethics	**Conforms**	This is now a regular agenda item for team meetings.	As part of continuous improvement of the service, we will continue to ensure team meeting discussions explore specific topics and debate potential examples to further improve knowledge and awareness	On-going
Standard 1200 – Proficiency	**Conforms**	Internal auditors have professional qualifications or are qualified by experience. Where appropriate, auditors undertake continuous professional development in accordance with the requirements of their professional body. All auditors are encouraged to undertake training, attend external courses/webinars – e.g. CIPFA or CIIA - and network and training	Develop a training matrix to capture record of training undertaken and identify future development and training requirements. This will include a requirement for IT audit skills training.	30 September 2023

Standard	Compliance	Observations	Action	Target Date
		opportunities within the Cross Council Assurance Service, part of the PWC framework contract. Although auditors have a record of their own training and development requirements and discussions with line managers, we do not currently hold a central record in order to identify individual and common training needs.		
Standard 1200 – **Proficiency**	**Partial**	The Chief Audit Executive has not completed the final steps to obtain her CIPFA qualification: it is a requirement that the CAE be professionally qualified.	Head of Internal Audit and Risk Management will complete the qualification as required.	31 October 2023
Standard 1300 – **Quality Assurance and Improvement Programme**	**Partial**	The external review by CIPFA in 2019-20, identified some required improvements. Our subsequent internal self-assessments confirmed that some of those improvements had been made, but this QAIP includes further actions required.	On-going monitoring to ensure continuous improvement within the service. Regular updates on progress of the improvement plan to be provided to General Purposes Committee. Annual self-assessment to be undertaken.	On going 31 May 2024
Standard 2000 – **Managing the Internal Audit Activity**	**Partial**	The Audit Handbook is the policy and procedures document for the delivery of audit activity. The initial annual review for 2023-24 has been completed but is not yet signed off	The final sign off of the Audit Handbook 2023-24 will be undertaken.	31 July 2023

Standard	Compliance	Observations	Action	Target Date
Standard 2000 – **Managing the Internal Audit Activity**	**Partial**	Currently there is no formal and central record of all forms of internal and external assurance provided across the Council. A Value Chain Analysis was prepared to support the development of the 2022-23 and 2023-24 Internal Audit Plans, but this was also the first stage in developing an Assurance Map that will current all forms of internal and external assurance. The Value Chain Analysis has identified some, although not all, of the external assurance provided.	In order to ensure proper coverage, minimise duplication and prioritise resources, further work will be undertaken to develop an Assurance Map. The process and outcomes will be reviewed, and lessons learnt used to further develop an Assurance Map for future years.	29 February 2024
Standard 2200 – **Engagement Planning**	**Conforms**	A terms of reference is developed for all audit engagements, covering keys risks of the area under review and how the audit will add value to the Council. The reports are discussed and agreed with the audit client to ensure they are factually correct, and the actions relevant and achievable.	We will strive to include greater focus on the added value of audits and to provide creative and future focused solutions in our terms of reference, audit testing and reporting.	On going

Appendix 6: 2022-23 Limited Assurance Audits Not Yet Reported

Audit	Assurance	Detail
Staff Ethical Standards	**Limited**	The audit was designed to provide assurance that ethical standards are suitably designed and enforced across the Council, that staff understand their responsibilities and that appropriate oversight is in place. As part of the audit fieldwork, we undertook some confidential focus group discussions and individual interviews to understand the level of awareness and knowledge amongst staff with regards to ethical standards and their responsibilities as public sector employees. We spoke to a random sample of 18 members of staff from across the organisation graded SO1 to Head of Service. There is little knowledge of the Seven Principles of Public Life, with 14 of 18 (78%) participants stating they are unaware of these standards. As part of the focus group and individual discussions, we asked participants if they had ever been asked to do something by a colleague, manager, or senior officer that they believed to be wrong/made them feel uncomfortable. 3 of 18 (17%) participants said they had been asked to do something that they believed to be wrong. These participants work in three different Departments. Given the confidential nature of the focus groups we will not share the details of these incidents, but each participant has been sent the Whistleblowing Policy and encouraged to consider reporting these, or future, incidents. Extrapolating this level of response across the Enfield workforce would yield approximately 500 examples. During this audit we identified: **2 high risk and 4 medium risk** findings. This has resulted in an overall **Limited** assurance opinion. The following **high risk** findings were identified: 1. The Code of Conduct available through iLearn has broken links, does not include the conflicts of interest appendix mentioned in iLearn and isn't consistent with other

Audit	Assurance	Detail
		information on the intranet. The Code of Conduct needs to be reviewed and updated to ensure there is consistency, all links work, and that expected staff action is clearly communicated. 2. There is a lack of understanding around declarations of secondary employment and conflicts of interest. Despite this being a mandatory field, we identified that almost half of staff had not completed the tick box on iLearn relating to secondary employment and conflicts of interest. We also found that managers and staff require further guidance to ensure Performance Development Review (PDR) questions on iLearn are completed correctly, appropriate discussions take place and that secondary employment and conflicts are appraised consistently. Managers are also unsure about the type of supporting documentation that should be retained for declarations made. The following **medium risk** findings were identified: 1. There is no reference to the Seven Principles of Public Life (also known as the Nolan Principles) in the Code of Conduct or separately on the intranet. There is also no explicit training content on ethical behaviours, the Code of Conduct, reporting of gifts and hospitality and declarations of interest. Therefore, training content needs to be updated to include these subjects. 2. 3 of the 4 Departments existing at the time of the audit held a gifts and hospitality register - the other Department completes individual forms but decisions are recorded inconsistently. From our focus groups and interviews, it was clear that staff are not aware of the importance of reporting gifts and hospitality and how and when to do so. Further guidance and communication is required around this issue. 3. Declarations of interests are not reported to DMTs. We recommend that declarations of interest are added to the Employee Experience quarterly reporting dashboard. 4. Although most of our focus group participants were aware of the Whistleblowing Policy, few knew where to find it or how it can be used. It may be seen by many only as a way of reporting major financial wrongdoing. There should be regular communication to raise the awareness and importance of the Whistleblowing Policy and to make it more

Audit	Assurance	Detail
		accessible.
Business Continuity Planning	**Limited**	The audit was designed to provide assurance that the design of the Business Continuity Management (BCM) programme in place at London Borough of Enfield (the Council) aligns to strategic management requirements and good practice (such as ISO 22301 and the Business Continuity Institute Good Practice Guidelines). Our review of BCM related documentation and interviews with four Business Impact Analysis and Business Continuity Plan authors has resulted in five findings. We have identified that an initial Business Impact Analysis (BIA) has not taken place at Senior Management level to determine recovery priorities. This has impacted on the overall approach for implementing the BIAs and Business Continuity Plans (BCP) at a service level. In addition, the Business Continuity team is in the process of developing new BIA and BCP templates to align to good practice. As a result, whilst we recognise that the Council is in the process of enhancing its capability, the Council needs to further embed BCM arrangements to ensure clarity of focus and consistent application to minimise the risk of disruption in the event of any crisis or incident. During this audit we identified: **1 high risk**, **3 medium risk** and **1 low risk** findings. This has resulted in an overall **Limited** assurance opinion. The following **high risk** finding was identified: 1. **Business Impact Analysis (BIA) -** An initial BIA exercise has not taken place to identify and document the Council's business continuity priorities. For 5 of 5 (100%) Service level BIAs reviewed, Recovery Time Objectives (RTO) and priority activities are not well defined and/or appropriate, and RTOs have not been verified with dependencies and interdependencies to ensure that they align and are achievable. Different impact scoring matrices are also used in the BIA for BCM planning and Enterprise Risk Management (ERM).

Audit	Assurance	Detail
		The following **medium risk** findings were identified: 1. **Business Continuity Plans (BCPs) -** The Council's Corporate BCP does not have defined strategies to address four scenarios that are non-risk specific for the continuation of operations. These include the temporary or permanent loss of a place, people, technology, and priority supplier. 5 of 5 (100%) BCPs reviewed did not include step-by-step instructions and the work arounds on the recovery of priority services. 2. **Exercise Strategy-** BCPs should be exercised frequently to confirm the appropriateness of actions and effectiveness of plans. The Council does not currently have an Exercise Strategy in place to define the frequency and type of BCP exercising to be conducted. 3. **Overarching Governance Processes-** There is no defined approach to outline how BCM integrates with the Council's overall risk and resilience strategy. There is no documented BCM schedule plan to support the Business Continuity Policy. This may include; key objectives, monitoring and reporting mechanisms and plans for the review of all stages of the Business Continuity lifecycle. In addition, the review frequency of BCPs and BIAs does not align. The following **low risk** finding was identified: 1. **Training and awareness-** There is no Council wide BCM related training or awareness programme for existing staff or new joiners. During our interviews, we identified inconsistencies in understanding in relation to BCM activities and documentation requirements.
Economic Strategy	**Limited**	The audit was designed to provide assurance that there are appropriate controls in place to ensure that there is appropriate management, monitoring, and reporting of the Council's Economic Strategy. During our audit, we identified **one high, two medium and two low risk** findings. This has resulted in a **Limited** assurance opinion. The following **high risk** finding was identified: **1. Governance structure -** Since the Economic Strategy was finalised in January 2021,

Audit	Assurance	Detail
		there has been no clear ownership to drive progress against strategic objectives. In addition, from our walkthrough discussions we noted a lack of resource to support the achievement of strategic objectives. The following **medium risk** findings were identified: **1. Action plan** – There is no specific action plan in place to allocate and monitor delivery of the Economic Strategy. Since the Strategy was produced in January 2021, we have been unable to see evidence of actions taken to achieve the four strategic objectives. **2. Aims and objectives** – The scope of the aims and objectives should be reviewed and updated to reflect changes due to current economic circumstances. The following **low risk** findings were identified: **1. Performance measures** – Performance measures are not clearly aligned to the four strategic objectives with no indication given of the frequency at which they should be measured. **2. Partnership working**– We identified that partnership working opportunities are often not maximised due to a lack of central contact who has the capacity to identify, evaluate and drive partnership working opportunities.
Planning (CIL/S106)	**Limited**	The purpose of this audit was to provide assurance that appropriate controls are in place to ensure the planning obligation processes are operating effectively. During our audit, **two high risk** and **three medium risk** findings were identified. This has resulted in a **Limited** assurance opinion. The following **high risk** findings were identified: 1. **Lack of CIL eligibility documentation** - We reviewed a sample of 20 planning applications to confirm that the eligibility for CIL and any exemptions claimed had been

Audit	Assurance	Detail
		appropriately documented. We identified that an audit trail has not been maintained for five (25%) CIL eligible planning applications. 2. **Calculation of CIL** - From our sample testing of 20 planning applications, we identified 19 (95%) instances in which the calculation to support CIL charges could not be provided. In the one instance where evidence was provided, the calculation did not agree to the CIL amount charged. The following **medium risk** findings were identified: 1. **CIL Manual and S106 Documentation** - The CIL Manual lacks version control and approval history. In addition, S106 processes documents need to be formalised and updated to clearly outline roles and responsibilities. 2. **Timeliness of CIL Liability Notice issue** – From our testing of 20 CIL liabilities we found five out of 20 (25%) CIL Liability Notices had not been issued in a timely manner. 3. **CIL Monitoring -** There is a lack of regular monitoring and reporting to senior management of outstanding CIL liabilities. From our sample of five CIL liabilities where developments had started, we noted one liability (20%) which was overdue by five months at the time of our testing. In addition, there is a lack of regular monitoring and reporting to stakeholders across the Council of CIL expenditure.
Household Support Fund and Holiday & Food Grant	**Limited**	The Council requested a review of its processes and controls around the administration of the Holiday Support Fund (HSF) and Holiday and Food Grant (HFG), and its relationship with the Enfield Food Alliance (EFA).

Audit	Assurance	Detail
		The work programme was: • Confirm there are documented policies and procedures in place for the administration of the HSF and the HFG by the Council and that these are consistent with any relevant terms and conditions associated with the HSF and HFG. • Assess the design of associated controls in the following areas: o Eligibility Criteria – determine if there were defined eligibility criteria for who can receive funding from the HSF and HFG and what process should be followed to apply and/or be awarded funding, including declarations of interest; o Funding Calculations - understand how funding was calculated and how the Council ensured funding was accurately calculated and transferred completely to eligible applicants; o Monitoring - understand what monitoring framework was in place to ensure funds were spent appropriately (in line with grant terms and conditions) and assess this for completeness and accuracy; o Reporting - understand how monitoring information was shared, to whom and how frequently to ensure adequate oversight; o Segregation of duties and authorisation - confirm there was adequate segregation of duties throughout the process and that there was independent authorisation of any decisions made; o Documentation - confirm what documentation was retained and how it was stored to support decision-making; o EFA - understand any involvement of the EFA in these processes. **Overall Assessment** The central theme across our findings was a lack of documentation to support the expected design and operation of controls in place; this has meant that the Council cannot always demonstrate

Audit	Assurance	Detail
		compliance with applicable Central Government guidance or their own expected processes. By creating local procedures – and requiring evidence of compliance with these to be retained centrally and consistently - the Council will be able to more fully demonstrate how it is meeting applicable terms and conditions. This will also promote better transparency, including the management of actual or perceived risks of conflict of interest. It is acknowledged that these grants were awarded during the Covid-19 Pandemic in which there was a significant change in working practices and pressure on resources, which meant the development of some of these controls and processes was hindered.
General Ledger	**Limited**	The audit was designed to provide assurance that robust processes are in place around the General Ledger (GL) maintained in the Council's financial system (SAP), with a focus on suspense and Goods Receive Invoice Received (GRIR) accounts, journals, and reconciliations of feeder systems into SAP, as well as a follow-up of recommendations made in the 2019/20 audit. During this audit we identified: **1 high risk, 1 medium risk** and **3 low risk** findings. This has resulted in an overall **Limited** assurance opinion. The following **high risk** finding was identified: 1. Journals supporting documentation – A standardised journals template was introduced in April 2022; however, this is used inconsistently. We found that 19 out of 25 (76%) journals we tested did not use the standardised template, and 13 of these (52%) were not supported by sufficient evidence. The following **medium risk** finding was identified: 1. Policies and procedures – Version control is not consistently used indicating that several policies and procedures had not been reviewed for over two years. Further, we would expect a formal mechanism to be defined in guidance documentation for financial reporting to the Departmental Management Team (DMT), Executive Management Team (EMT) and Cabinet where appropriate.

Audit	Assurance	Detail
		The following **low risk** findings were identified: 1. SAP system- We noted limitations within SAP as we were unable to obtain a system-generated report of manual journals including the journal amount. 2. Feeder system reconciliations – We reviewed a sample of two reconciliations for each of the four feeder systems (eight reconciliations). One of eight reconciliations (12.5%) had been prepared over three months from the period which the reconciliation related to. This was caused by Carefirst system reporting issues which caused significant delays in reconciliation preparation. This has since been resolved by the Council's Digital Services team. 3. GRIR reporting – Reporting on GRIR to clear down surpluses should take place monthly. However, in practice reporting on GR surpluses only take place on an ad-hoc basis; this is deemed a more practical frequency by the Accounts Payable team.
Financial External Audit Process	**Limited**	The audit was designed to provide assurance that robust processes are in place to provide timely, accurate, and complete information to the External Auditors. During this audit we identified: **1 high risk and 4 medium risk** findings. This has resulted in an overall **Limited** assurance opinion. The following **high risk** finding was identified: 1. **Resource continuity**– Internal staffing has changed since the 19/20 audit, impacting the continuation of controls. This has resulted in a loss of detailed knowledge and affected the ability to review and provide documents to the auditors in a timely manner. External Auditors have had multiple changes in staffing for each audit, resulting in inconsistent and untimely communication. The following **medium risk** findings were identified:

Audit	Assurance	Detail
		1. **Process documentation** - There are no process notes for internal staff outlining the external audit process including responsibilities and expectations. 2. **Standard of documentation** – From discussions with management, it was noted that the quality of documentation produced by internal teams, as well as the supporting evidence/commentary, has been inconsistent. This has led to additional internal review of documents prior to submission to the External Auditors, resulting in delays to the audit process. 3. **Communication, review, and feedback** – From discussions with management, it was noted that communication between the Corporate Finance team and wider internal finance teams is inconsistent. In addition, there are no regular reviews of external audit processes to ensure lessons learned and continuous improvement. 4. **SAP system-** The functionality of the SAP system is limited, as well as lacking integration with wider systems. This results in additional manual manipulation of data by the Corporate Finance team.
St Ignatius College	**Limited**	During this audit we identified: **2 high** risk, **4 medium** risk and **13 low** risk findings. This has resulted in an overall **Limited** assurance opinion. The following **high risk** findings were identified: 1. Exceptions were identified in relation to the school's contracts. These include: a. the Contract Procedure Rules (CPRs) were not followed with regards to the school's annual ground maintenance contract. The indicative total aggregated over 4 years was £103,320, which required 5 quotes to be sought, but only 4 had been obtained; b. we noted that the school extended its cleaning the contract for a further year in November 2022 at the cost of £142,128. We could not confirm that this was allowable under the terms of the existing contract. 2. Exceptions were noted in relation to the controls in place around the school's assets: a. the asset register in place did not contain all of the required information;

Audit	Assurance	Detail
		b. the asset checks that we were advised are undertaken were not evidenced; c. 2 of 10 (20%) asset samples were not appropriately security marked; d. asset loans were not appropriately recorded in the asset register; e. we observed a number of laptops left out of the laptop trolley and unattended in the school library. The following **medium risk** findings were identified: 1. Improvements are required to the school's ordering and purchasing processes. These improvements include ensuring: a. signed and dated order forms are completed prior to the purchase of goods and services; b. invoices are certified for payment prior to cheques being raised; c. receipts are retained for all Trade UK card purchases. 2. Exceptions were identified in relation to a sample of 5 new starters. These include: a. 1 (20%) health clearance check was not held for one new starter. b. 1 (20%) new starter was not showing on the school's Single Central Record. 3. The school does not have a business continuity and disaster recovery plan in place. 4. The school's private fund account, with a balance of approximately £70k, had not been audited since 2017/18.