

INTERNAL AUDIT PROGRESS REPORT

London Borough of Southwark

September 2019

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1. SUMMARY OF INTERNAL AUDIT WORK

Internal Audit

This report is intended to inform the Audit, Governance and Standards Committee of progress made against the 2019-20 internal audit plan. It summarises the work we have undertaken, together with our assessment of the systems reviewed and the recommendations we have raised. Our work complies with Public Sector Internal Audit Standards.

Internal audit methodology

We have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. 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 system reviewed - substantial, moderate, limited or no assurance. The four assurance levels are designed to ensure that the opinion given does not gravitate to a "satisfactory" or middle band grading. Under any system we are required to make a judgement when making our overall assessment. The definitions for our assurance levels are set out in appendix 1 to this report.

Internal Audit Plan 2018-19

There are just two reports yet to be finalised relating to the 2018-19 internal audit plan, as set out on page 7 of this report.

The Fairer Futures Procurement Strategy Compliance audit has been finalised, the executive summary is included on pages 10 to 12 of this report.

Schools internal audit summary report 2018-19

We have summarised the opinions, recommendations and common themes arising from the internal audit of schools during 2018-19, attached at appendix 2 to this report.

Internal Audit Plan 2019-20

We are making good progress in the delivery of the 2019-20 audit plan. The status of the audits that have been commenced to date are summarised in section 3 of this report. Where audit reports have been finalised, the executive summaries are included in section 4 of this report.

Changes to the internal audit plan 2019-20

The following additional reviews have been requested by management, and work is underway:

- Direct Debits - this audit is being delivered as part of the internal audit plan
- CBS Leathermarket Grant Claims - this audit has been requested by management outside of the internal audit plan
- Transparency Reporting Support - this work is being delivered as part of the internal audit plan.

Non internal audit services provided by BDO

Since the last meeting of the committee, no additional non-internal audit work has been undertaken.

Follow up

As part of finalising each audit report, we agree with management the actions that will be taken in response to each finding and recommendation. Within their response, management include the date by which the actions will be completed. Internal audit routinely follows up all high and medium recommendations made, in the month after the implementation date agreed by management.

2. INTERNAL AUDIT PLANNING CYCLE 2020-21

We would welcome the views of the audit, governance and standards committee on the areas that might be included in the internal audit plan for 2020-21.

The table below sets out our timetable of activities that we will be following to prepare the plan, which proposes that a formal discussion takes place at the audit, governance and standards committee at its meeting in November 2019.

Planning Activity	Timing
Desktop review of key documentation - including risk registers, budget monitoring reports, Council, Cabinet and Committee papers and previous results of internal audit work.	October and November 2019
Discussion at the audit, governance and standards committee on areas for inclusion	20 November 2019
Meetings with the chief executive and all strategic directors and their departmental management teams to consider risks and areas for inclusion specific to their departments.	November and December 2019
Attendance at the corporate governance panel to discuss the areas for inclusion and identify council-wide thematic reviews in particular.	December 2019
Draft internal audit plan discussed with the director of finance and governance	December 2019
Draft internal audit plan circulated to the chief officers team and directors forum for comment	January 2020
Draft internal audit plan presented to the audit, governance and standards committee for approval	10 February 2020

In addition, we would welcome the view of the committee on any areas where the internal audit service and particularly the reporting to audit committee can be improved.

3. ANTI-FRAUD UPDATE

BDO has been engaged to provide management support and strategic advice to the anti-fraud team at the council. The lead for this work is Nick Baker (FCCA, ACFS), an accredited counter fraud senior manager and forensic accountant within BDO forensic services.

Current anti-fraud activities

The primary activities undertaken by the council's anti-fraud team with support from BDO, since the last meeting of the audit, governance and standards committee are:

- Recruitment to the corporate anti-fraud team has now been approved and the team will increase by three staff members during 2019. Jobs will be advertised early September Interviews for Grades 6, 9 and 12 will take place from late September
- Once recruitment is complete the draft detailed work plan will start to be implemented. Part of the planned work will look to engage the team in proactively targeting certain higher risk areas, identified in conjunction with internal audit and Southwark's Risk Champions.
- The current caseload is being kept under review and is fully allocated to the team.
- The council's involvement in the London Counter Fraud Hub remains under discussion. No further developments are expected until October 2019.
- A detailed fraud response programme is in the drafting process and will provide details on the way the Council will look to deal with fraud, information for staff and public as to how to report fraud and who is responsible for investigating reported frauds. Once complete this will be the primary document to which all parties can refer. It is intended that it will be electronically accessible from the Council's internet and intranet sites and that these sites will also contain "summary" information for easy access.

4. REVIEW OF WORK 2019-20 WORK

Audit	Director / Audit Sponsor	Days	ToR issued	Fieldwork	QA / Reporting	Committee	Design	Operational Effectiveness
Internal Audit Plan 2018-19								
Procurement - Fairer Future Strategy Compliance	Strategic director finance and governance	25	✓	✓	✓ Final report	September 2019	Moderate	Moderate
Southwark Building Services	Director of environment	20	✓	✓	✓ Final report	September 2019	Moderate	Moderate
IT Shared Services Arrangements	Director of modernise	25	✓	✓	✓ Final report	September 2019	N/A - Advisory	
IR35	Corporate Governance Panel	20	✓	✓	✓ Draft report issued 160719	November 2019	This is an advisory piece of work, additional testing has been requested.	
Health and Safety	Director of modernise	20	✓	✓	✓ Draft report issued 160519	November 2019		
Internal Audit Plan 2019-20								
Troubled Families Grant	Director of Children's Services	20	Letter of Engagement agreed. A schedule of monthly audits is undertaken, on a sample of 10% of claims to be submitted			All	April to July 2019 completed. No exceptions	
Home Ownership - Garages	Director of exchequer services	15	✓	✓	✓ Final report	September 2019	Moderate	Limited
Major Works	Director of asset management	15	✓	✓	✓ Final report	September 2019	Substantial	Substantial

Audit	Director / Audit Sponsor	Days	ToR issued	Fieldwork	QA / Reporting	Committee	Design	Operational Effectiveness
Play Service	Director of environment	15	✓	✓	✓ Final report	September 2019	Moderate	Moderate
Volunteer Management	Director of environment / Director of leisure	15	✓	✓	✓ Draft report issued 120819	September 2019		
Home Ownership - Mortgages	Director of exchequer services	10	✓	✓	✓ Draft report issued 290819	November 2019		
Client Services	Director exchequer services	15	✓	✓	✓ Draft report issued 030918	November 2019		
Housing Solutions - Homelessness	Director of customer experience	20	✓	✓	✓	November 2019		
Leathermarket CBS Grant	Director of communities	10	✓	✓	✓	November 2019		
No recourse to public funds	Director of communities	15	✓	✓	✓	November 2019		
Major regeneration programmes and projects	Director of regeneration	20	✓	✓	✓	November 2019		
Community Equipment	Director of Commissioning	15	✓	✓		November 2019		
Public health - free healthy school meals (advisory)	Strategic director place and wellbeing	20	✓	✓		November 2019		
Barristers Framework	Director of law and democracy	10	✓	✓		November 2019		

Audit	Director / Audit Sponsor	Days	ToR issued	Fieldwork	QA / Reporting	Committee	Design	Operational Effectiveness
Cleaner, Greener, Safer Programme	Director of environment	15	✓	✓		November 2019		
Direct Debits	Strategic director finance and governance	10	✓	✓		November 2019		
Enforcement	Director of environment	15	✓	✓		November 2019		
Mental Health Services	Director of adult social care	15	✓	✓		November 2019		
Blue Badges and Freedom Passes	Director of customer experience	15	✓			February 2020		
Materials	Director of environment	10	✓			February 2020		

5. EXECUTIVE SUMMARIES

ADD06 PROCUREMENT - FAIRER FUTURE STRATEGY COMPLIANCE September 2019		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	1
		Moderate	Moderate	Medium	2
				Low	-
Purpose of audit	To provide assurance over the council's compliance with the values set out in the Southwark Fairer Future Procurement Strategy and Contract Standing Orders as far as they apply to these principles in respect of roles and responsibilities.			Added value - N/A	
<p>Background:</p> <p>An internal audit of the compliance against the council's Fairer Future Procurement Strategy (FFPS) was undertaken at the request of the Audit, Governance and Standards Committee. The strategy covers the council's Fairer Future values which relate to procurement, specifically:</p> <ol style="list-style-type: none"> 1. Spending money as if it were coming from our own pockets, meaning procurement arrangements are challenged and there is a balance between price and quality 2. Being open, honest and accountable, including protecting the workforce through paying the London Living Wage and complying with the Ethical Care Charter, addressing equality issues and community impact through compliance with Public Sector Equality Duties when undertaking Gateway zero and Gateway 1 assessments and reports, and the avoidance of blacklisting due to trade union membership. 3. Making Southwark a place to be proud of through the consideration of social value during the procurement process. <p>The aim of the strategy is to provide context and a framework to ensure that the council takes the right steps when identifying service needs and options for the ways in which these may be best delivered, procuring the supplies, services and works where contracting is the preferred option and managing and monitoring contracts that have been awarded.</p> <p>The strategy sets out how the council will use procurement to promote enhanced employment rights, ensure fair pay and terms and conditions, reduce inequality and encourage ethical corporate behaviour. These are set out in the strategy, the council's contract standing orders and procurement guidelines. The fairer future values and procurement strategy are designed to ensure that the council is only doing business with suppliers who meet minimum statutory and ethical standards. The strategy introduced the requirement for a strategic assessment, also known as gateway zero, for all services above £10m in value. This is to be undertaken by the service head to allow a full strategic options assessment in a timely manner that includes relevant factors, explores all options and makes the case for the preferred mode of delivery (e.g. in-house, private sector, voluntary or community sector, shared service). It also considers the broad methods by which a service is to be delivered (e.g. single provider/framework of providers etc.) along with possible social value. This assessment is for cabinet members (IDM) decision making.</p>					

Responsibility for procurement decisions is set out in the council's contract standing orders. A Lead Contract Officer should be identified for each procurement, who is responsible for ensuring that the procurement is carried out in accordance with the CSOs and wider fairer future principles, and seeking appropriate approvals, for example through the relevant strategic director or cabinet member (IDM) or cabinet after consideration by the departmental or corporate contract review board where appropriate.

At the time of writing this report, the FFPS was being reviewed and updated.

Scope of the audit:

We assessed whether there was:

1. Clear guidance relating to how the principles and values in the Southwark FFPS are to be applied and evaluated through the procurement process.
2. Awareness amongst key staff involved in the procurement process of the FFPS, how the values should be considered and how the FFPS is to be practically applied when undertaking procurement activities
3. Appropriate consideration and alignment of the FFPS values in the evaluation criteria used by officers in the procurement process, including balancing price, quality, evaluation of social values and transparency outlining how the weightings were determined.
4. Adequate checks undertaken and sufficient evidence to confirm that suppliers had met the ethical and statutory requirements outlined in the Strategy before being awarded contracts with the council.

Through discussions with staff and review of documentation for a sample of contracts awarded since April 2018, we considered the following aspects of the FFPS: Payment of London Living Wage, Trade Union blacklisting, gender pay gap and payment differential, compliance with Public Sector Equality Duties, Southwark Ethical Care Charter (in relation to care contracts), trade union recognition, use of Gateway zero strategic assessments and other social value commitments relating to the creation of apprenticeships, job creation and work placement opportunities.

Good practice:

We confirmed through review of documentation that the council has the following framework and controls in place to support compliance with FFPS:

- The strategy and guidance documentation for gateway reports is available for all staff on the intranet (The Source) - see Key Findings for the limitations of this.
- The electronic procurement system is now being used for all new contracts.
- Payment of London Living Wage was considered in the gateway reports for all contracts, as was compliance with equality and other social value considerations. All applicable contracts considered the Ethical Care Charter.

Key findings:

Based upon our discussions and review of procurement and contractual documentation, the following findings are included in our report:

- Documentary evidence of compliance is not always retained, and ongoing compliance with FFPS by successful contractors is not being monitored in a consistent way and effectively. Concerns were raised by all officers around the piecemeal nature of available guidance and that they felt it difficult to know when to incorporate elements into procurements. The council does not share practices across divisions and departments.

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- Whilst the elements of the strategy were considered as part of the gateway reports, this does not translate to actually awarding the contracts to the contractors.
 - Key elements of the strategy are not specifically included within the evaluation criteria when procuring contracts due to their nature. Some, such as London Living Wage and compliance with legislation e.g. on gender pay gap or blacklisting and consideration of trade union recognition are part of contract terms that are part of pre-award compliance, without which a contract would not be awarded. Testing of five contracts confirmed that not all elements of the Strategy were documented. These areas are being addressed in the FFPS, which are currently being revised.

Conclusion:

Some elements of the FFPS are well embedded within Council procurement procedures, however there remains uncertainty amongst procurement officers regarding how (or when) to incorporate the remaining elements into its process so as to ensure full compliance.

Review of contract terms and procurement processes have revealed areas where these elements are incorporated but are not specifically part of the procurement process and evaluation criteria. This could be more clearly explained to those officers procuring contract.

Therefore we have concluded an opinion of moderate assurance with regards to both the design of the controls and to the operational effectiveness.

We have recommended that officers involved in procurement are provided with further training to ensure that they are not only aware of the FFPS, but how best to incorporate the requirements relating to social values into procurement practices and subsequently contract monitoring and management.

Follow up

We will follow up the management actions agreed in response to the audit in January 2020, when we complete the internal audit of FFPS compliance with regards to contract management.

ESR43 SOUTHWARK BUILDING SERVICES September 2019		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	-
		Moderate	Moderate	Medium	3
				Low	-
Purpose of audit	To provide assurance relating to the transfer back in house of the maintenance service for the council, including confirming whether all actions per the project plan have been implemented and that the new control framework is adequate and effective.	Added Value	We spoke with key members of staff involved in the project to bring the SBS service in-house to identify good practice and lessons that could be learned across the council should a similar project be undertaken in the future. The general consensus was that this project was well managed, however improvements could be made with the way staff are communicated with throughout.		
<p>Background:</p> <p>A decision was taken by Cabinet in March 2018 to bring Southwark Building Services (SBS) in-house, effective from 1 October 2018. There were a number of driving factors behind this decision, including the previous arrangements failing in their performance, the need to remove a single point of failure due to the service being provided by one contract and financial incentives, including savings due to economies of scale. This resulted in the Transfer of Undertakings (Protection of Employment) (TUPE) of 65 staff members.</p> <p>As a result of a tendering exercise, SBS is now responsible for the communal repairs in the north of the borough, which is chargeable to leaseholders, as well as internal repairs for both the north and south of the borough. Bringing the service in-house also led to a review of recharging and financial management. Prior to this both internal and communal repairs were charged on a per job basis, with the cost based on a schedule of rates, however following the review the internal repairs will now be charged on a price per property basis.</p> <p>With the transition of the service in house being successfully completed on 1 October 2018, the service is currently in phase 2 of the project to determine specifics relating to service delivery and performance monitoring.</p> <p>Good practice:</p> <ul style="list-style-type: none"> • Business rules are set out in the service level agreement, which reconcile with the Cabinet decision paper and outline the SBS service performance requirements and key performance indicators to be monitored • The key performance indicators are monitored through core group meetings and project meetings • The in-house repairs service delivery team meets fortnightly to monitor performance and identify any issues • Actions logs are retained detailing any actions raised during meetings, the officer responsible for the implementation and dates for actions to be completed • Monthly performance reports are provided to the Cabinet Member for Housing. 					

Key findings:

- The complete set of price per property (PPP) codes have not been input into Northgate, resulting in charges being incorrectly applied (although the errors identified were very small), and all job types have not been defined within the service level agreement to clearly outline whether these are chargeable or not
- The PPP assumptions and associated costs have not been reviewed using the most up to date information (such as changes to the number of properties) and a value for money assessment of the new arrangement is required.
- Four of the 12 KPIs included in the Service Level Agreement have not been monitored, including meeting response times for queries and complaints, as IT system limitations meant data could not be generated on these areas.

Looking forward: supporting the council's journey from moderate to substantial assurance

Operational Effectiveness	Moderate	→ Substantial	<ul style="list-style-type: none">• Revise the 'price per property' approach to accurately reflect actual costs, and benchmark with similar organizations to identify whether value for money is being achieved• Supporting performance measures should be implemented to monitor performance for KPIs which are currently unmeasurable.• Update the service level agreement to include all job types• Update Northgate to include all PPP job codes.
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Follow up

A review of the actions taken since the internal audit review will be undertaken in April 2020.

IT09 IT SHARED SERVICES ARRANGEMENTS (ADVISORY) September 2019		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	3
				Medium	-
				Low	-
		N/A - Advisory			
Purpose of audit	To consider whether sufficient progress has been made, or actions are in train, to address the strategic issues identified in the reviews as captured in the service improvement plan. The review looked at the agreed service improvement plan, how progress is monitored and documented and the governance arrangements in place.				Added value - N/A
<p>Background:</p> <p>The council entered into a shared ICT (SICT) service arrangement with Brent Council and Lewisham Council, commencing on 1 November 2017. Under the new arrangements the council expected to achieve savings through increased efficiencies and economies of scale. The change saw the removal of a telephone helpdesk, with this being replaced by an online call logging system. The SICT service aligns with the IT component of the council’s modernisation strategy by bridging the gap between what people need and what the IT service can deliver. Whilst there was a smooth transition and staff generally experienced an acceptable level of service, the shared service was not been performing satisfactorily on strategic issues, including the sustainability of the programme, the procurement strategy and data security.</p> <p>This situation resulted in two separate reviews being undertaken (one by the council and an external review commissioned by Brent Council from METHODS company), to identify the reason for the failings and the actions to take as a result. A service improvement plan was created covering a range of the identified issues, including the need for a review of the key performance indicators (KPIs). Since 29 November 2018, an interim managing director has been in post.</p> <p>The approach to the improvement of SICTS has recently changed from a Service Improvement Plan (SIP) that would be implemented between September 2018 and May or June 2019 to a Continuous Service Improvement Plan (CSIP) based on the recommendations of the METHODS company that undertook the Brent Council commissioned review.</p> <p>According to the definition from SICTS: “Unlike the Service Improvement Plan (which focusses on a structured programme of change and is typically; complex, high-impact and requires communications, training, management, dedicated resource and budget) Continual Service Improvement is the process whereby we make small, incremental changes to our infrastructure, services and applications in order to maintain and improve service quality. The resource and budget to achieve CSIP is usually small, implementation is usually fast and the benefits near immediate. CSIP initiatives are best driven from the ground up by those best placed (service owner, users and support engineers) to understand; how services are used, what works well, what doesn't, where the pain points are and what improvements would deliver benefit”.</p> <p>As a result of the change in approach, the initial time-scale of September 2018 to June 2019 for implementing the SIP has now been changed to a two to three year horizon for the continuous improvements to be implemented.</p> <p>The assurance review originally planned for May 2019 has been deferred to April 2020, to allow the new arrangements to be implemented.</p>					

Good practice:

- The continuous service improvement (CSIP) plan has identified six themes of work to be delivered, with each theme identifying a number of projects expected to deliver Service Improvements. Each theme has an accountable owner responsible for monitoring project progress and reporting updates.
- The Interim Service Improvement manager has been receiving updates from the theme owners on a bi-weekly basis and updating a CSIP register with the project progress.
- The Joint Management Board received an update regarding the improvement plan, which explained the change from a SIP to a CSIP and what that meant and the projects that were completed from October to December 2018 and planned for January to March 2019.

Key findings arising at the time of the audit in March and April 2019:

- It was not evident how the change from a Service Improvement Plan to a Continuous Service Improvement Plan would address the key issues and failings of the Shared Services in a timely manner. The IT heads and service departments did not have an input in the change in approach and prioritisation of projects and there has been inadequate communication of the plan and its progress by SICTS
- We did not receive a plan documenting projects for the short, medium and long term. The documentation we received did not list any projects planned for beyond March 2019. There was insufficient documentation of the project owners, target dates and metrics and of the short, medium and long term planned projects and expected outcomes
- Governance arrangements for the CSIP had not been formally agreed and documented. The reporting arrangements did not allow for adequate oversight and reporting of progress. The theme owners report to the Interim Service Improvement manager but there was no further reporting arrangements in place. The report to the Joint Management Board is a high level overview of projects completed and planned but did not provide context on progress against initial target dates, on projects that have been delayed and the issues and problems they might have faced, actions taken and revised deadlines.

Management Response to the advisory audit

The Shared ICT Service agrees with the findings in this report and as such the following action plan will be put in place to address the key findings.

1. The agreement to move to a CSI plan from the SIP plan and respective change in timelines were agreed with the Joint Management Board, this approach was taken in order to have a singular improvement plan which could be monitored and maintained, at this time all activities that were included on the service improvement plan were migrated to the CSI plan and continued to be worked on.
2. The current CSI plan will be updated and taken to the next Operational Management Board of the Shared ICT Services, this will include a new section for each partner organisation to indicate how the activity will address the key issues that they are facing. (September 2019)
3. The Operational Management Board will have the ability to jointly prioritise the activities that are included in the plan and to add additional activities on an ongoing basis to seek specific service improvements for their own areas. (September 2019)
4. The current CSI plan will be updated to include the additional data as highlighted by the audit, and will include activities for the short, medium and longer term to address concerns about the validity of the plan. (September 2019)

5. The Terms of Reference for the Operational Management Board will be updated to provide oversight for the plan and progress updates will be added to the agenda of the Joint Management Board as a routine agenda item. The Shared ICT Service will continue to report headline information to the Joint Committee on a 6 monthly basis in line with the current arrangements. (September 2019)

6. A number of improvements that were included in the CSI plan have been completed and communicated to members of the Operational Management board including but not limited to:-

- Increase in resource supporting the service desk functions.
- Review and modifications to the goods purchasing and stock management processes
- Review and modifications to the financial management reporting processes
- Review and instigation of revised governance model.
- Introduction of management information and reporting tools to provide more transparency to the services.
- Introduction of management reporting packs which is currently being iterated to provide greater clarity.
- Completion of 7 of 8 phases of the Core Network upgrade.
- Introduction of network, server and device monitoring tools.
- Removal of GCSX legacy secure email system.
- Introduction of additional security defense systems.
- Review of license management processes.
- Definition and approval of Target Operating Model.
- Creation of IT Strategy, pending distribution.
- Categorisation of incidents for greater trend and pattern detection.
- Implementation of time recording systems to allow for the charging of service based on actual consumption.

Further improvements are expected over the remainder of the year including:

- Introduction of new project management controls
- Introduction of new security incident management processes
- Introduction of new customer service portal.
- Introduction of automatic processes for triage and prioritization.
- Introduction of self-service password reset functionality.

Follow up

A review of the actions taken since the review will be undertaken in October 2019.

FG33 HOME OWNERSHIP- GARAGES September 2019		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	2
		Moderate	Limited	Medium	1
				Low	-
Purpose of audit	To provide assurance over the application process, awarding of garages, administration of garages and records, rent collection and monitoring and escalation for repossession.	Added value	We completed data analytics using data from the waiting list maintained by the Garages team. Out of a total of 2,017 applicants on the waiting list as of 16 May 2019, we identified a total of 27 unique applicants making a total of 55 duplicate entries on the list. We also identified that there were three applicants without having an entry in the 'name' column despite 'name' being a required field in the on-line application form.		
<p>Background:</p> <p>The council rents garages to both residents and non-residents for a weekly fee, payable in advance. The garages can be used for both general storage and storage of vehicles.</p> <p>There are the following types of fees, which have received Cabinet approval as part of the Housing Revenue Account (HRA) budget: standard fees, discounted fees for Southwark housing residents and private sector fees, which also include a VAT element. There are also additional fees for any amenities that come with the garage, such as the use of parking space or a gate for security purposes.</p> <p>A waiting list is maintained for those who have applied for a garage, with priority given firstly to Southwark residents and then those who have been on the list for the longest period of time, subject to any specific requests they may have about their garage type or location. There are circa. 3,000 applicants on the waiting list.</p> <p>Approximately 30-40 garages become available each month, with on average five recovered monthly through formal repossession proceedings as a result of rent arrears.</p> <p>The service has a formal process for repossession proceedings, with two letters being issued, a notice to quit and then serving the notice of the repossession date, if arrears are not cleared. A grace period of two weeks is currently in use should all debts be cleared after notice has been served.</p> <p>There are two teams involved in the letting and recovery of garages. One is responsible for managing the waiting list, letting the garages and arranging for any necessary refurbishment or repairs. The second team is responsible for managing payments, repossessions and arrears.</p> <p>Good practice:</p> <ul style="list-style-type: none"> Guidance on garage lettings including priority of allocation and escalation of arrears for current garage tenants is in place. These are retained on a shared drive, accessible to all relevant staff involved in the allocation process and in the management of arrears and repossessions. Write-offs of debt undertaken in February 2019 were in line with Southwark write-off corporate policy. 					

- Key performance indicators are maintained for the recovery of due debt from current and former garage tenants.
- A monthly performance report is presented to the exchequer services recording KPIs on income and debt collection across divisions and highlights the effectiveness of the complaint management process

Key findings:

- Application forms submitted by the applicants had not been retained centrally
- There was no documentation trail of changes made to the garages waiting list to ensure there had been no unauthorised amendment
- Supporting documentation such as garage tenancy agreements had not been retained
- Weekly rent charged per the iWorld were below revised fees approved by the Cabinet in two out of 20 sampled cases
- There is no formal procedure for debt recovery of former tenant accounts in arrears and in one case there had been no action taken in over 7 years
- Tenant account in arrears had not been actioned in a timely manner, in one case a first reminder letter was sent after 10 months.

Looking forward: supporting the council’s journey from limited to substantial assurance

Operational Effectiveness	Limited	→	<table border="0"> <tr> <td data-bbox="698 655 750 869">Substantial</td> <td data-bbox="750 655 2016 869"> <ul style="list-style-type: none"> • Ensure that supporting documentation such as signed agreements are uploaded onto information@work. • Ensure the revised fee approved by the Cabinet reconciles with the rent charged on iWorld. • Ensure tenant accounts in arrears are actioned on a timely basis. <p>Ensure the garage let form records the identification checks carried out and the officer who had performed the checks</p> </td> </tr> </table>	Substantial	<ul style="list-style-type: none"> • Ensure that supporting documentation such as signed agreements are uploaded onto information@work. • Ensure the revised fee approved by the Cabinet reconciles with the rent charged on iWorld. • Ensure tenant accounts in arrears are actioned on a timely basis. <p>Ensure the garage let form records the identification checks carried out and the officer who had performed the checks</p>
Substantial	<ul style="list-style-type: none"> • Ensure that supporting documentation such as signed agreements are uploaded onto information@work. • Ensure the revised fee approved by the Cabinet reconciles with the rent charged on iWorld. • Ensure tenant accounts in arrears are actioned on a timely basis. <p>Ensure the garage let form records the identification checks carried out and the officer who had performed the checks</p>				

Follow up

A review of the actions taken since the internal audit review will be undertaken in April 2020.

HM06 MAJOR WORKS August 2019		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	-
		Substantial	Substantial	Medium	1
				Low	1
Purpose of audit	To review the controls from identification and approval of major works schemes, project management and appointment of contractors and monitoring of delivery against expected timeframes, outputs and budget.				Added Value - N/A
<p>Background:</p> <p>The council has a 30 years asset management programme in place for the major works needed on their existing stock which was agreed by Cabinet in March 2016. The council are into their fourth year of this programme, with the works required for the initial 10 years of the programme already mapped out. A quarterly update on the programme is presented to the Repairs Core Group chaired by the Lead Cabinet member for Housing. An overall report and proposals for 2021/22 and 2022/23 will be presented September/October 2019.</p> <p>Major works on existing properties include: external works to blocks, kitchens, bathrooms and major fire safety works. Some major works are completed outside of this programme in exceptional cases, such as if an incident happens which means a property needs work earlier than expected. A range of procurement methods are used to select the contractor who will complete the works. The council has three partnering arrangements in place which cover major works in the south of the borough. A framework agreement is generally used for major works in the north of the borough, with the framework depending upon whether the cost of the works is above or below £3.1m, with a separate framework relating to heating. Regular monitoring meetings are held with the three partners, with key performance indicators used to assess the performance of the contractor, including resident satisfaction and completions on time. New performance monitoring arrangements were implemented in August 2019 with framework contractors, including the addition of key performance indicators. Previously performance monitoring is on a judgemental and informal basis without clear delivery metrics.</p> <p>Good practice:</p> <ul style="list-style-type: none"> • The major works programme and associated documents, e.g. Cabinet decisions and contractors, are published on the Council's website • Every project has a dedicated project manager • Monthly project management meetings take place with contractors undertaking works • Quarterly progress and performance reports are produced <p>Key findings:</p> <ul style="list-style-type: none"> • The key data to manage, monitor and report on major works is all contained in one large, complex MS Excel spreadsheet, which carries a risk of data corruption and it also has limitations for reporting purposes. An exercise to explore options for replacing the spreadsheet is to be undertaken by management. 					
<p>Follow up</p> <p>A review of the actions taken since the internal audit review will be undertaken in April 2020.</p>					

EL17 PLAY SERVICE August 2019		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	1
		Moderate	Moderate	Medium	4
				Low	-
Purpose of audit	To provide assurance over operational management controls including documentation covering contractual arrangements with activity providers, income management and safeguarding.	Added value	A review was undertaken of the two largest play sites, Peckham Rye and Mint Street, to confirm how they operate. It was noted that there were discrepancies in the documentation used by the sites, although the same processes were being followed. Mint Street was the more developed of the two sites as it had been recently renovated and they should be used as the exemplar for other sites to follow as far as is applicable.		
<p>Background:</p> <p>The play service, which operates within the parks and leisure team, aims to achieve a balance between operating for the benefit of the community in a sustainable manner whilst allowing the service to continue through the charging of Cabinet approved fees.</p> <p>The play service has outsourced a number of key activities to an external provider, Idverde, which is responsible for arranging bookings, collecting income and transferring this to the council.</p> <p>The play service has five playgrounds in operation: Fredericks, Ellen Brown Children’s Centre, Mint Street, Peckham Rye and Surrey Docks. Mint Street and Peckham Rye opened for bookings during the 2018-19 financial year. These sites are used in a number of ways, including service users renting the facilities at a cost, in line with the fees and charges agreed by Cabinet, and activity providers being commissioned by the service to offer set schemes which benefit the community.</p> <p>Whilst the service is not using volunteers at this time, they are using a mixture of permanent and agency staff to deliver the service. All staff are appropriately vetted by the council’s HR department.</p> <p>Good practice:</p> <ul style="list-style-type: none"> • We have confirmed through review of documentation that the council has appropriate fees and charges in place that have been approved by cabinet and are available on the public facing website. • Activity providers used are appropriate and are appropriately vetted before being allowed to undertake activities with the children using the sites. • A centralised list of staff and agency workers is maintained with contact details and their working week. <p>Key findings:</p> <ul style="list-style-type: none"> • No signed agreement is in place with Idverde (Quadron) detailing the roles and responsibilities and formalising the current working relationship in relation to managing bookings of the adventure playgrounds and sharing of income (high priority). 					

- Policy and procedure documentation has been drawn together, however documentation used across sites does not match. Staff were also not aware of the documentation that was available on the shared drive.
- A strategy has not been drafted which encapsulates the aims and goals of the service. This should include KPIs that match the council's corporate plan.
- Service users had made bookings for 2019/20 that did not reflect the amended fees and charges, although the difference was only £45.
- Quarterly payments are made from Idverde (Quadron) but these are not formally reconciled with expected income and the deduction made by Idverde.

Looking forward: supporting the council's journey from moderate to substantial assurance

Operational Effectiveness	Moderate	 Substantial	<ul style="list-style-type: none"> • An agreement should be signed between Idverde and the council • Service users should be charged correct fees based on those approved by cabinet
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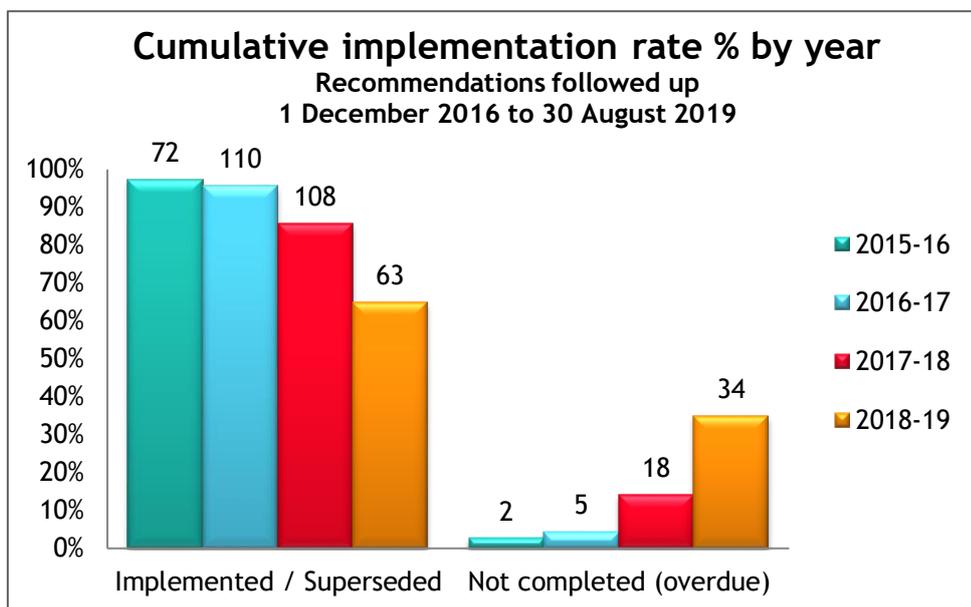
Follow up

A review of the actions taken since the internal audit review will be undertaken in April 2020.

6. SUMMARY OF RECOMMENDATIONS STATUS

The cumulative summary provided here relates to 412 high and medium recommendations followed up in the period when BDO was appointed as internal auditors to the council on 1 December 2016 to 30 August 2019.

We have confirmed with reference to evidence that 353 (86%) of the recommendations that have fallen due have been implemented.



The implementation status of each internal audit is summarised in the table overleaf. We are disappointed that no update and / or revised implementation dates for implementation have been received for eight recommendations. In addition, we are awaiting evidence for 15 recommendations to support management assurances that they have been implemented. The strategic director of finance and governance has reminded officers of the need to respond to internal audit requests on a timely basis.

Please note:

- *The table includes only those audits previously reported to the committee where the recommendations have fallen due and have not been implemented, and have not been previously reported.*
- *Where management assurance has been provided that the recommendations have been implemented but where evidence is yet to be provided, these are classified as in progress, and stated as such.*
- *The table does not include audits that will be followed up as part of another audit during the year (for example in respect of key financial systems).*

RECOMMENDATION IMPLEMENTATION RATES BY AUDIT

	Total High & Medium recommendations raised by BDO due for implementation	Implemented		In progress at the follow up date		No update provided		% verified complete	Management Implementation dates
		H	M	H	M	H	M		
<u>2018-19</u>									
Access to Restricted areas on Housing Estates	8	3	4	1	-	-	-	88%	November 2018 February 2019 May 2019 September 2019
Right to Buy and Ad-hoc Sales	2	1	-	1	-	-	-	50%	April 2019 October 2019
Legal Fees	2	-	2	-	-	-	-	100%	January 2019 July 2019 August 2019
Residential Placements - Children in Care Services	4	1	2	-	1	-	-	75%	November 2018 February 2019 Awaiting evidence
Youth and Play Service	4	1	2	1	-	-	-	75%	June 2019 Awaiting evidence
Temporary accommodation	8	-	2	2	4	-	-	25%	December 2018 April 2019 June 2019 Awaiting evidence
Markets	4	-	2	-	2	-	-	50%	April 2019 August 2019 September 2019
Contact centre (SMART)	3	-	1	-	2	-	-	33%	April 2019 June 2019 Awaiting evidence
IT Change Management	3	-	2	-	1	-	-	67%	March 2019 May 2019 September 2019
Waste Contract PFI	1	1	-	-	-	-	-	100%	May 2019 August 2019
Business Continuity Planning	5	-	2	-	3	-	-	40%	July 2019 October 2019
Music Service	3	-	1	-	2	-	-	33%	July 2019 Awaiting evidence

	Total High & Medium recommendations raised by BDO due	Implemented		In progress at the follow up date		No update provided		% verified complete	Management Implementation dates
		H	M	H	M	H	M		
Commercial Waste	3	-	-	-	3	-	-	0%	July 2019 October 2019
CAS Budget Recovery Board Accountability Statements	1	-	1	-	-	-	-	100%	July 2019 September 2019
Adult Day Care Provision	3	-	-	-	-	-	3	0%	July 2019 Revised date to be advised
Safeguarding (Adults)	3	-	-	-	3	-	-	0%	July 2019 Awaiting evidence
<u>2017-18</u>									
Network Security	8	-	2	2	4	-	-	25%	December 2017 October 2018 June 2019
IT disaster recovery	6	2	-	1	3	-	-	33%	April 2019 June 2019 October 2019
Land Charges	5	-	2	1	2	-	-	40%	April 2019 December 2019
Corporate energy	2	-	-	-	2	-	-	0%	December 2017 October 2018 April 2020
Electoral Services	4	-	4	-	-	-	-	100%	April 2018 August 2019
Integration of customer based systems	2	-	2	-	-	-	-	100%	July 2018 November 2018 and January 2019 August 2019
Information Governance	9	2	6	-	1	-	-	88%	June 2018 March 2019 July 2019 August 2019
Access to Services	3	1	2	-	-	-	-	100%	August 2018 August 2019

	Total High & Medium recommendations raised by BDO due for implementation	Implemented		In progress at the follow up date		No update provided		% verified complete	Management Implementation dates
		H	M	H	M	H	M		
<u>2016-17</u>									
Planning applications	5	-	-	-	-	-	5	0%	October 2016 April 2018 March 2019 June 2019 Revised date required
<u>2015-16</u>									
S106 Agreements	3	-	1	-	2	-	-	33%	October 2016 April 2018 June 2019 September 2019 and January 2020

Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
2018/19 - Access to Restricted areas on Housing Estates		
<p>a) The council should undertake a formal tendering process in line with contract standing orders. A formal contract should be entered into.</p> <p>b) In the meantime, a service level agreement should be agreed with Callow Master Locksmiths. This should include information relating to how the patent will be stored, who has access to this, and who can request copies.</p> <p>c) Site visits should be undertaken on an intermittent basis to confirm that this has been complied with.</p> <p>d) Regular and routine usage reports should be requested (we would suggest quarterly as a minimum) to allow for a reconciliation against the council's records for which keys have been copied to confirm these reconcile. This reconciliation should be undertaken by an independent officer, documented and counter signed by a reviewer.</p> <p>High</p>	<p>Acting Head of Traded Services</p> <p>February 2019</p> <p>May 2019</p> <p>September 2019</p>	<p>Partially implemented</p> <p>A Gateway 1 Procurement Strategy (GW1) has been prepared and signed off by the Director.</p> <p>Procedures have been developed to guide managers and operatives on the correct procedures to follow for access and entry into restricted areas including process of ownership.</p> <p>A Gateway 2 Procurement Strategy (GW2) is being prepared for sign off in September 2019.</p>
2018/19 - Right to Buy and Ad-hoc sales		
<p>a) An asset list should be maintained with a potential book value recorded. This should be updated when a sale is completed and as necessary.</p> <p>b) The Sales and Acquisitions Manager need to consult with all departments involved in the ad hoc sales process and agree a formal process for identifying and selling available assets. Responsibilities for the different stages should be formally agreed for each team.</p> <p>High</p>	<p>Director of customer experience</p> <p>April 2019</p> <p>October 2019</p>	<p>Partially implemented</p> <p>a) Management has responded that this system would be managed by Asset Management. We were advised that there is a system that records the asset list, however it does not set any value to each individual asset. We have contacted Asset Management team and have been informed that the audit recommendation relates to a much wider issue than just basic asset management in terms of works and repairs. This implementation of the recommendation will be discussed with the Head of Asset Management in September 2019.</p> <p>b) We have confirmed that this part of the recommendation has been implemented.</p>
2018/19 - Residential Placements - Children in Care Services		
<p>Evidence of the High Cost and Quality Panel's decision for each individual case should be recorded on the appropriate case notes. Management should undertake periodic quality checks to ensure that panel decisions are being recorded on the individuals' files correctly.</p> <p>Medium</p>	<p>Access to Resources - Service Manager</p> <p>November 2018</p> <p>February 2019</p> <p>July 2019</p>	<p>Management assurance received that the recommendations have been implemented, awaiting evidence.</p> <p>We are awaiting system screenshots as evidence to confirm that this recommendation has been implemented.</p>

Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
2018/19 - Youth and Play Service		
<p>a) If the current practice not to collect a booking fee and deposit is considered appropriate, the procedures should be updated to reflect this.</p> <p>b) The youth service should work with the financial control and processing team to implement a process to allow the monthly monitoring of invoice payments. This should include any relevant training required and defining both team's responsibilities for payments which enter the suspense account and therefore are not being allocated against the service user. This should include a review of SAP by an independent officer to confirm that no invoice cancellation requests have been processed without appropriate authorisation.</p> <p>c) If payments are not received in advance, allowing for any delay in payments clearing, sessions should not be permitted to proceed and if there are any debts outstanding, no further bookings should be taken.</p> <p>d) The head of culture should approve cancellations, after receiving written confirmation of the request by the service user and ensuring this is in line with the agreed terms and conditions.</p> <p>e) The youth service should determine whether a grace period is allowed for setting up and clearing up purposes. It should then be ensured that groups adhere to the agreed times, and if additional time is required, this should be invoiced per the usual process. If services are allowed to use the centre for setting up as it is not already in use, this should be recorded to allow for tracking of whether the same groups are consistently using the service for longer than booked.</p> <p>f) The booking calendar should be kept up to date to allow for an accurate record of who was in the centre, to facilitate independent review and reconciliations, and reduce the likelihood of errors occurring and free sessions being granted.</p> <p>High</p>	<p>Youth operations and commissioning manager</p> <p>June 2019</p>	<p>Management assurance received that the recommendations have been implemented, awaiting evidence.</p> <p>Management has responded that recommendations 1 (a,c,d,e and f) have been implemented. However, we are awaiting evidence to confirm this.</p> <p>For recommendation 1(b), management has responded that payments are made at the time of the booking hence this is not relevant. We are awaiting a procedure/guidance note recording the updated process.</p>
2018/19 - Temporary Accommodation		
<p>Management should ensure that all staff involved in the process of collecting, checking and confirming invoices are required to update iWorld to match the</p>	<p>Placements Team Manager</p>	<p>Partially implemented</p>

Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<p>data in the financial system (SAP). Reconciliation of the two systems should then happen at regular intervals to ensure that the information contained in one matches the other. Any inconsistencies should be followed up and resolved and the reasons for recurring inconsistencies should be investigated and addressed.</p> <p>Longer term, the two systems should be integrated and information input in one system should automatically update in the other.</p> <p>High</p>	<p>November 2018</p> <p>July 2019</p> <p>April 2020</p>	<p>The Support Team has developed an early draft sign in register policy for the council that will be shared with partners. This clarifies under what circumstances an invoice will be processed without a sign in, deadlines, exceptions, who is responsible for each stage of the cancellation process when no response is received. A meeting was held with Housing Solutions, TA Income, and Northgate Support on 10 May 2019. Intention to reconcile Northgate data with SAP. The aim is initially to do this for TA types (e.g. nightly rate self-contained) and then possibly by provider. The current process is for all TA invoices to get checked against iWorld data before being authorised.</p> <p>A design improvement is to be made to reduce fraudulent activity risk in the Business Support Team by annually rotating which TA providers' invoices are assigned for checking for each BSO. At present the BSO is assigned certain providers and these are not rotated.</p> <p>Finance are leading on a project to reconcile the two IT systems or provide a solution to the IT integration issues. We were advised that the revised implementation date for this is 1 April 2020.</p>
<p>a) Management should have formal agreements with landlords and agents that state the standards expected by providers of private properties. The council is currently in the process of deciding on a suitable property procurement framework in collaboration with the legal department (discussed in finding 8). The requirement for a formal agreement can be discussed and the best course of action decided upon as part of any new procurement process. The council then needs to determine a cost effective way of verifying the standards provided.</p> <p>b) Management should review the procedure for the incentive payments to landlords and ensure there is a formal policy and agreement with the providers regarding the council's right to claw back payments. The criteria and recourse specifics for such action should be clear to landlords. Staff should also be informed to be able to implement the policy consistently. This can also form part of the current discussions regarding the procurement framework.</p> <p>High</p>	<p>Overall - Manager, Housing Solutions Support - Procurement Officers, Placement Officers; Visiting officer, Resettlement officers, Reviews officers</p> <p>January 2019</p> <p>July 2019</p>	<p>Partially implemented</p> <p>Management has responded that they are in the process of drawing up a generic agreement, which will be formulated with all providers. This will include the standards expected to adhere to. They have met with legal on several occasions with the last meeting taking place on 10 May 2019. Further external advice is being sought.</p> <p>Management does not have data on the spot checks of 15% properties. They have recently updated the web inspections form to allow updating via tablet. As part of a review of the providers (Nightly paid to PSL), it has been identified that more inspections will be required.</p> <p>Legal services are supporting the service to establish agreements to allow the service to launch a tendering exercise. We were advised that there is no timeframe for this as the team is dependent on legal services obtaining external legal assistance.</p>

Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
		A further follow up will be carried out in October 2019 to seek an update on this position.
<p>A reconciliation needs to be completed on a monthly basis to reconcile the data held on iWorld and SAP for the length of stay by clients at a property and the amounts being charged to ensure the correct information is being recorded in each system.</p> <p>Medium</p>	<p>Overall - Group Services Manager, Housing Solutions</p> <p>Support - Project and change manager, Divisional accountant, Principal operations manager</p> <p>April 2019 and June 2019 July 2019 April 2020</p>	<p>Partially implemented</p> <p>As per above, Finance are leading on this matter to attempt to reconcile the two IT systems or provide a solution to the IT integration issues. We have informed that the revised implementation date for this is 1 April 2020.</p>
<p>a) Management should ensure that staff implement the payment controls in place, such as the daily register reconciliation with invoices received for nightly lets. There should be periodic reviews of the process by appropriately senior staff to confirm the control has been implemented consistently and a record of the review should be kept. Any instances identified where the control has not been implemented should be followed up with the staff member responsible.</p> <p>b) Management should also ensure that payment reconciliation of nightly lets are reviewed by the Business Support Manager before they are sent to finance for payment. A record of the review should be kept and senior management should periodically review the record to ensure the control is implemented. Any instances identified where the control has not been implemented should be followed up with the staff member responsible.</p> <p>c) The Business Support Manager should review the reconciliation of payments for private sector leases before they are sent to finance to ensure any unusual payments are identified and investigated. To manage the work load this control may bring about, the review can happen for amounts over a certain limit. A record of the review should be kept. The Procurement Manager should communicate any reviews they might have performed themselves to avoid duplication.</p> <p>d) Management should increase resilience of the service regarding the reconciliation of PSL</p>	<p>Business Support Manager</p> <p>January 2019 July 2019 October 2019</p>	<p>Partially implemented</p> <p>Management has responded that the restructuring within the service has halted the implementation of agreed future procedures. There is no longer a Business Support Manager within the current structure and work is under way to find a replacement. All Nightly paid cases are however recorded and this is listed on the system. This figure is monitored on a weekly basis and reported to senior management.</p> <p>Legal services are supporting the service to establish agreements to allow the service to launch a tendering exercise. We were advised that there is no timeframe for this as the team is dependent on legal services obtaining external legal assistance.</p>

Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<p>payments, by ensuring that other members of staff are able to perform the reconciliation. The business support team, whose duties include the reconciliation of invoices to tenancy records, should be able to understand the process and perform the task when necessary for PSLs as well as for the nightly lets. The Procurement Assistant currently responsible should also create detailed guidance notes for the process.</p> <p>e) The reconciliation of invoices can be streamlined and made more efficient if providers are required to send their invoices on standard templates that will allow staff to quickly and easily identify the information they need. The prospect should be examined as part of the current rethinking of processes and procurement framework.</p> <p>Medium</p>		
<p>a) Management should ensure they disseminate policies and procedures to staff and offer training and support when introducing new policies. They should monitor implementation and test staff at regular intervals or offer refresher training to ensure the policies are followed, are clear to all and address shifts to practice or technology.</p> <p>b) Management should ensure that during the review and update of policies and procedures, they include the essential controls and authorisation processes to ensure all staff are aware of them when performing their duties.</p> <p>Medium</p>	<p>Business and Procurement Manager and Placements Team Manager February 2019 July 2019 October 2019</p>	<p>Management assurance received that the recommendations have been implemented, awaiting evidence.</p> <p>Management has advised that all officers have been trained and presented on all policies.</p>
<p>a) Management should ensure that a formal decision on the exemption from using the Contract Standing Orders is approved and recorded as well as the reasons for the exemption.</p> <p>b) They should also record any discussions, decisions and reasons for the frameworks to be used instead and any other ways they ensure value for money in the procurement of properties. Their meetings with the Legal team and Corporate Procurement should provide direction and advice on what is the best course of action around this issue.</p> <p>Medium</p>	<p>Business and Procurement Manager March 2019 July 2019 October 2019</p>	<p>Partially implemented</p> <p>As above, Legal services are supporting the service to establish agreements to allow the service to launch a tendering exercise. We were advised that there is no timeframe for this as the team is dependent on legal services obtaining external legal assistance.</p> <p>A further follow up will be carried out in October 2019 to seek an update on this position.</p>
2018/19 - Markets		
<p>a) When the annual renewal process is undertaken for the upcoming financial year, a review of all ongoing traders' files should be undertaken to ensure that all supporting documentation has been provided. If any missing documents are identified,</p>	<p>Markets Team Leader March 2019</p>	<p>Partially implemented</p> <p>Management has responded that FGL system implementation is scheduled to be completed by end of September 2019.</p>

Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<p>these should be requested prior to the permit being renewed.</p> <p>b) When undertaking walk-arounds at the markets, it should be confirmed that current pitch plates are displayed by all traders. Any non-compliance should be recorded to identify any traders consistently not displaying their pitch plates.</p> <p>c) When confirming registration with the food hygiene team, the registration number should be recorded on the application form to evidence this check has been undertaken. The expectation regarding food hygiene certificates should be clarified to ensure consistent documentation is provided by traders. This should then be requested and ensure it is retained for all relevant traders during the 2019-20 renewal process.</p> <p>Medium</p>	<p>August 2019 September 2019</p>	
<p>a) Trading licences should record the location the trader is permitted to trade from to ensure the correct fee is paid and the trader does not unknowingly receive a discount.</p> <p>b) Invoices should only be accepted from temporary traders for the correct value for that day. If an incorrect invoice is presented, it should be explained that this can be used at a later date, however a correct paid invoice must be presented to allow trading for that day.</p> <p>c) Invoices for application and renewal should be held in traders' files, recording the purpose of the invoice clearly. Prior to renewal licences being issued, it should be confirmed that these invoices have been paid, with the officer undertaking the check signing the invoice as confirmation the payment has been received.</p> <p>Medium</p>	<p>Markets Team Leader February 2019 August 2019 September 2019</p>	<p>Partially implemented As stated above.</p>
<p>2018/19 - Contact Centre (SMART)</p>		
<p>a) The guidance available to staff should be expanded to clarify some of the instances when there is more discretion in the approach taken by staff. Staff should then document on Answerlink the reason a certain approach was taken if this was not in line with guidance. The quality reviews undertaken on a sample of cases should scrutinise the level of detail recorded on Answerlink and whether this sufficiently captures the key details from the call.</p> <p>b) The quality review should include enhanced scrutiny of each of the elements in isolation to</p>	<p>Contact centre operations manager Quality and training manager Contact centre team leader - SMART</p>	<p>Management assurance received that the recommendations have been implemented, awaiting evidence.</p> <p>a) We have confirmed that this recommendation has been implemented.</p> <p>b) Management has responded that a new improved Quality Monitoring sheet has been introduced to include live call monitoring that records the various elements of a call e.g. correct call type recorded and that relevant notes added to both Jontek and</p>

Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<p>ensure sufficient information is recorded on all systems to reflect the key details of the case. An enhanced sample check, in addition to the current review, should be conducted focusing on specific areas which have recurring issues identified.</p> <p>Medium</p>	<p>Contact centre team leader December 2018 June 2019</p>	<p>Mosaic. Management has recently introduced specific enhanced monitoring of calls made to the emergency services, overnight, as this is an area of some concern.</p> <p>We are awaiting evidence to confirm this.</p>
<p>a) The SMART exceptions reports should detail any common themes identified and how these will be addressed, for example through additional training for staff.</p> <p>b) Higher level reports should be produced on a set periodic basis (we would suggest quarterly as a minimum) and provided to senior management, including the director of customer experience. The information to be included in these reports should be confirmed to ensure this is sufficient but not excessive for monitoring and decision making purposes. These reports should also include any significant or recurring issues identified in the SMART exceptions report (per part a).</p> <p>Medium</p>	<p>Quality and training manager Contact centre team leader - SMART Performance and reporting manager March 2019 June 2019</p>	<p>Management assurance received that the recommendations have been implemented, awaiting evidence.</p> <p>Management has responded that the whole reporting suite was reviewed recently. Daily, weekly and monthly performance summary reports for SMART are now provided to the management team and Director of Customer Experience.</p> <p>An extract from the report has been provided however we are awaiting evidence of the monthly performance summary reports.</p>
<p>2018/19 - IT Change Management</p>		
<p>The Shared ICT Service should develop a Change management policy to document standardized methods and procedures to meet the change management requirements supporting the Council's operations. It should include but not be limited to:</p> <ul style="list-style-type: none"> · Scope and objectives of the change management process · categorising (e.g., between infrastructures, operating systems, networks, application systems, purchased/package application software) · prioritising changes based on predefined criteria (e.g., business and technical needs for the change and legal, regulatory and contractual requirements) · segregation of duties · analysing risks and impact on infrastructure, systems and applications. · considering security, legal, contractual and compliance implications in the assessment process for the requested change and that business owners are involved. · requiring each requested change to be formally approved by the business owners of the process and IT technical stakeholders · tracking overall project status <p>The policy should be ratified and communicated to all stakeholders. Furthermore, there should be a standardised change management process identified to manage all the changes requested by the LBS</p>	<p>Shared ICT Service Head of IT & digital services March 2019 May 2019 September 2019</p>	<p>Partially implemented</p> <p>Management responded that Change management on the infrastructure side rests with SICTS and it is right that this is the focus for the implementation at the moment given the large number of P1 and Major Incidents resulting from poorly executed Infrastructure change. There has been improvement in recent months, but this is still very much WIP with significant challenges remaining particularly with engagement across partner councils and communications.</p> <p>There has been some work with the Southwark application team to share the Change Management processes and tools designed by SICTS and we have begun to use for some priority areas such as Election software. In addition the whole applications team has now been trained on ITIL best practice, which includes change management. Beyond this, rolling out Change Management to the Applications team has not been a priority for rapid implementation due to focus on the DC</p>

Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<p>applications and the departmental service applications across the council.</p> <p>Medium</p>		<p>Migration and given that incidents caused by application changes is far less of a problem.</p> <p>Going forward, better collaboration between Southwark IT&DS and SICTS is needed, as many changes involve both infrastructure and application aspects. As Southwark (and SICTS) make fuller use of Cloud and Managed Hosting solutions, it will be important that supplier adherence to change management is part of the assessment that is made during procurement. In addition there is a significant risk with those applications where the technical management sits outside IT&DS as there will be potentially risky IT activity outside SICTS or IT&DS control and it is not clear what plans there are for these areas to follow change management.</p> <p>Since the recommendation is in progress, therefore a further follow-up will be carried out in October 2019 as agreed.</p>
<p>2018/19 - Business Continuity Management</p>		
<p>1. We recommend that the council sets a date for the approval of the overarching BCP</p> <p>The approved version of the overarching BCP should be made accessible to staff on the intranet, and hard copies stored in accessible locations</p> <p>The emergency planning team should carry out a review of information systems to establish system prioritisation with regards to business continuity.</p> <p>Medium</p>	<p>Overall - Emergency Planning & Resilience Manager</p> <p>June 2019 October 2019</p>	<p>Partially implemented</p> <p>Each department continues to work on developing their individual business continuity plans.</p> <p>If a critical function of a departmental is reliant on an IT application the business continuity plan should identify alternative means of delivering that service should the IT fail.</p> <p>The individual plans contain a prioritised list of departmental functions which give a description of each function and its importance together with the mitigation should the primary means of delivering the function be unavailable.</p> <p>Given the complexity of departmental structures and the comparatively new formation of the Place & Wellbeing department not all departments have completed and tested their BC plans although all now have a plan in place. Earlier in the year we (EP) facilitated a council wide BC exercise which is identified the benefit of exercising individual BC departmental plans and departments are</p>

Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
		<p>being supported to deliver their own BC exercises.</p> <p>We will undertake a further follow up in October 2019 to determine the progress on testing BCPs.</p>
<p>2. All departments should have in place an up to date BCP and set a date for approval and ensure their BCP is approved via the relevant channel.</p> <p>All departmental BCPs should be subject to at least annual review and approval.</p> <p>All BCP leads should undertake a full review of their BCPs on an annual basis and have their BCPs approved by the strategic director. Named contacts and contact details should be reviewed and updated on a six monthly basis, as per the guidance within the BCPs. The emergency planning and resilience team should ensure that documentation kept in the BECC is also reviewed and replaced with hard copies of the up to date information.</p> <p>Medium</p>	<p>Overall - Emergency Planning & Resilience Manager</p> <p>June 2019 October 2019</p>	<p>As above</p>
<p>3. Contact details should be reviewed and if necessary updated at least once every six months, as per the guidance within the council's BCP.</p> <p>All departmental BCPs should be updated to include all relevant information, as per the template provided by the Emergency planning & business resilience team.</p>	<p>Overall - Emergency Planning & Resilience Manager</p> <p>June 2019 October 2019</p>	<p>As above</p>
<p>2018/19 - Music Service</p>		
<p>a) A full review of inventory held should be undertaken to confirm the accuracy of the inventory list.</p> <p>b) The inventory list should be updated to include the exact number of each instrument and the dates these were acquired. It is acknowledged that it may not be possible to determine the acquisition dates for historic purchases due to the lack of information currently held on the inventory list, so this part of the recommendation relates to future purchases only.</p> <p>c) On an annual basis schools should be asked to confirm the instruments they still hold on behalf on the service, with this confirmation check documented. If there are any discrepancies between what the service believes is held and what the school claim to have, this should be investigated.</p>	<p>Assistant head of Southwark music service</p> <p>July 2019 September 2019</p>	<p>Management assurance received that the recommendations have been implemented, awaiting evidence.</p> <p>Management has responded that the equipment inventory has been moved to an Excel based system and purchase dates added to all post audit acquisitions. This facilitates the tracking of instruments from storage and between schools. All instruments are now signed in and out of schools and documentation scanned and logged in the inventory. In July 2019, school based staff were required to submit a full inventory of Music Service equipment held on site. This task will be undertaken annually and allow the service to investigate any discrepancies moving forward. Additionally, a full review of the equipment</p>

Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<p>Medium</p>		<p>store inventory will take place in September when staff return from annual leave. This will further ensure greater accuracy of available instrument stock.</p> <p>We are awaiting for additional evidence and status of the full review of the equipment store inventory schedule for September 2019.</p> <p>We will seek an update on this position in October 2019.</p>
<p>a) Where equipment is held with third parties or schools, inventory checks should be undertaken on at least an annual basis to confirm no equipment has been lost, stolen or damaged and that the equipment is being held in suitable conditions.</p> <p>b) The insurance arrangements with the organisations holding equipment on behalf of the service should be reviewed to confirm whether these would cover the costs of the instruments should any incidents occur. If it is found these are not covered, the council should undertake a risk assessment of the cost to the council if an incident occurs compared with the cost savings and benefits of ease of access for using these providers, seeking alternative storage arrangements if necessary.</p> <p>c) Quotes should be obtained from storage providers every three years to confirm the appropriateness of the discount offered. The decision to offer the discount should be recorded and evidenced as approved, justifying why a discount higher than the cost of storage has been agreed.</p> <p>Medium</p>	<p>Assistant head of Southwark music service</p> <p>May 2019</p>	<p>Management assurance received that the recommendations have been implemented, awaiting evidence.</p> <p>Management has responded that a satisfactory inventory check on equipment held with third parties took place in May 2019. Sufficient insurance documentation was provided and confirmed that instrument costs would be covered should any incident occur. Also, as a council run internal service and part of Southwark Children's Services/Education, Southwark Council insurance cover applies to equipment held in store at Southwark Council schools. This position has been clarified by Southwark Corporate Risk & Insurance.</p> <p>Quotes from storage providers were obtained in March 2019 evidencing and justifying the decision to use a school for storage.</p> <p>We are awaiting evidence to confirm this.</p>
<p>2018/19 - Safeguarding (Adults)</p>		
<p>a) Before proceeding to the next stage of the enquiry and closure, the decision makers (manager/senior practitioner) managers should undertake spot checks to ensure there is sufficient information and evidence included within Mosaic at each stage within the workflow process, to confirm that all information is accurate and up to date.</p> <p>b) Where there is more than one concern form being raised for an individual case this should be cross-referenced to ensure appropriate actions have been taken to address the concern before proceeding onto the next stage within the workflow process. Develop guidance note for handling and recorded multiple concerns on the mosaic system.</p>	<p>Adult Safeguarding and DoLS Team Manager</p> <p>July 2019</p>	<p>Partially implemented</p> <p>a) We have confirmed that this part of the recommendation has been implemented</p> <p>b) Whilst a team meeting has been held to discuss this recommendation and agree processes to be followed, a formal guidance note has not been developed. We will follow-up this in October 2019.</p> <p>c) We have confirmed that this part of the recommendation has been implemented</p>

Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<p>c) The reasons for significant delays identified from our data analytics should be investigated, to determine if there are any common patterns or themes that need to be addressed, with appropriate support and awareness provided to practitioners.</p> <p>Medium</p>		
<p>(a) A reminder should be sent to staff on the importance of following the workflow process consistently at each stage. If there is a valid reason for the concern form being completed retrospectively then this should be recorded and evidenced within Mosaic.</p> <p>(b) Timescales for undertaking enquiries should be monitored and reported, with action taken to reduce any delays.</p> <p>Medium</p>	<p>Adult Safeguarding and DoLS Team Manager</p> <p>July 2019</p>	<p>Management assurance received that the recommendations have been implemented, awaiting evidence.</p> <p>a) We have confirmed that this recommendation has been addressed.</p> <p>b) Adult Safeguarding and DoLS Team Manager has responded that a meeting with the performance and quality lead was conducted and they are now having monthly meetings to discuss the safeguarding performance reports and analysing the reports in order identify areas of performance improvement.</p> <p>We are awaiting evidence of a report/analysis that had identified areas of performance improvement to confirm this.</p>
<p>a) Before proceeding to the next stage within the workflow process the individual completing the form must ensure it is reviewed by an independent decision maker to ensure there is an adequate segregation of duties and appropriate decisions and actions are taken.</p> <p>b) Spot checks should take place to ensure this happens.</p> <p>Medium</p>	<p>Adult Safeguarding and DoLS Team Manager</p> <p>July 2019</p> <p>September 2019</p>	<p>Partially implemented</p> <p>a) We have confirmed that this recommendation has been addressed.</p> <p>b) Management has responded that they are in the process of creating an adult safeguarding case file audit process and have not completed this. This is expected to be completed by end of September 2019. Therefore, we will seek an update on this position in October 2019.</p>
2017/18 - Network Security		
<p>All devices that are running unsupported operating systems should be upgraded to operating systems that are supported by the developer. Where it is not possible to upgrade the operating system of a device, it must be isolated from the council's IT network and appropriate security controls should be implemented.</p> <p>High</p>	<p>Enterprise Architect - IT Shared Services.</p> <p>July 2017</p> <p>June 2019</p> <p>September 2020</p>	<p>Not implemented</p> <p>Management comment on progress</p> <p>This recommendation has been affected by a change freeze that was put in place until 15/01/18 due to the transition to the shared ICT service and SAP HANA.</p> <p>Evidence was provided of the road map to upgrades, with non-compliant servers being addressed by September 2018 for the transition to shared ICT service servers.</p>

Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
		<p>This activity will continue until the completion of the Southwark datacentre migration to the new datacentre.</p> <p>Management update August 2019</p> <p>This work has been affected by the failed Data Centre (DC) move. There are currently 118 Windows 2003 servers which need to be upgraded or decommissioned. There are a number of XP desktops in use in the council as there is no satisfactory solution on modern desktops to match the functionality.</p> <p>The 2003 servers will be picked up as part of the cloud migration project, Microsoft do not support 2003 in Azure so they will have to be upgraded or decommissioned.</p>
<p>Management must apply all missing operating system and firmware patches to the council's IT estate. Where an operating system or firmware patch cannot be applied to a device the council should implement appropriate security arrangements.</p> <p>Furthermore, there should be a defined and consistent procedure in place for applying operating system and firmware patches as and when they are made available.</p> <p>High</p>	<p>Enterprise Architect - IT Shared Services.</p> <p>July 2017</p> <p>June 2019</p>	<p>Recommendation addressed</p> <p>Management comment on progress</p> <p>A review has been undertaken to apply patches. A risk-based approach is being taken to ensure continuity of systems. Processes were explained and provided for testing and applying patches. This procedure will be put in place as part of the data migration project to ensure that shared ICT service servers run with only appropriate patches. Ongoing System Centre Config Manager (SCCM) is being used to deploy updates, windows 2003 servers which can't be patched are part of the project to upgrade during the datacentre moves.</p> <p>Management update August 2019</p> <p>Ongoing System Centre Config Manager (SCCM) is being used to deploy updates, windows 2003 servers which can't be patched are part of the project to upgrade during the datacentre moves now with the move to Azure.</p> <p>Firmware updates were not put in place as the plan was to move to the new DC's. There is a risk from applying firmware that the servers may become unresponsive.</p> <p>Ongoing program as there are new patches and firmware to apply.</p>
<p>Management should establish a complete record of the council's firewall rules, which includes but is not limited to:</p> <ul style="list-style-type: none"> The service that the firewall rule supports, including the owner of the service 	<p>Enterprise Architect - IT Shared Services.</p> <p>July 2017</p>	<p>Not implemented</p> <p>Management comment on progress</p> <p>As part of the data centre migration, firewall rules will be reviewed and vendors will be consulted to establish the required</p>

Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<ul style="list-style-type: none"> • Whether the rule allows for inbound, outbound or both connections • The expected levels of traffic for the rule. <p>Furthermore, a full review of the Council's internal and external firewall rules should be performed and, where necessary, insecure or redundant rules should be removed.</p> <p>Medium</p>	<p>June 2019 September 2020</p>	<p>rules for their products. The shared ICT service has elected to not copy and paste the rules across due to the risks associated. Evidence was shown of the security management policy which addresses the recommendation and will be put in place. During the move to the new datacentre new Firewall rules will be created and documented. This will allow for the removal of obsolete firewall rules as only active rules will be migrated across.</p> <p>Management update August 2019</p> <p>This work has also been affected by the failed DC move. As the services were not moved the review of rules did not take place. Funding has been sort to carry out a full review of firewall rules.</p> <p>During the move to Azure the firewall rules will have to be review and migrated as services are moved to Azure.</p>
<p>The anti-malware signatures for all council IT assets should be updated with the most recent anti-malware signature. Devices that cannot be updated should be isolated from the council's IT network.</p> <p>Furthermore, Capita should be required to provide assurance that the devices running the Microsoft Endpoint anti-malware solution have up to date anti-malware signatures.</p> <p>Medium</p>	<p>Enterprise Architect - IT Shared Services. October 2018 June 2019</p>	<p>In progress</p> <p>Management comment on progress</p> <p>A review of antivirus and anti-malware issues will be undertaken as part of the data centre migration. Evidence was provided of the antivirus procedures that will be put in place.</p> <p>The Symantec Anti-virus pattern files are updated on a regular basis. Symantec licenses have been extended until November 2019. With the move to the new datacentre System Centre Endpoint Protection (SCEP) will be deployed and updated. Symantec reports are now available to show coverage.</p> <p>Management update August 2019</p> <p>The Symantec Anti-virus pattern files are updated on a regular basis. Symantec licenses have been extended until November 2019.</p> <p>With the move to the Azure System Centre Endpoint Protection (SCEP) will be deployed and updated.</p> <p>Symantec reports are now available to show coverage.</p> <p>This work is ongoing as new pattern files come out daily.</p> <p>The Thin clients do not have any AV and it has been noted that the Citrix sessions have</p>

Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
		not had any kind of AV installed. There are options for AV on Citrix but this could impact performance and require more Citrix infrastructure in the estate to cope with the impact.
<p>The council's IT network diagram should be reviewed in order to establish whether:</p> <ul style="list-style-type: none"> • Connections to external networks are secured • Appropriate redundancies exist within the IT network to prevent a loss of service. <p>Action should be taken to address any issues with the design and configuration of the IT network.</p> <p>Medium</p>	<p>Enterprise Architect - IT Shared Services.</p> <p>May 2017 June 2019</p>	<p>Recommendation addressed</p> <p>Management comment on progress</p> <p>Work on this remains in progress, delays caused by link issues between Spring and the new datacentre have delayed moves.</p> <p>An audit has been carried out by Fordway of all the links in to the old datacentres. Virtual Private Network (VPN) links are secure. During the move of services which should be in the demilitarized zone (DMZ) will be placed within the DMZ in the new network infrastructure being deployed by Fordway and Axiom.</p> <p>Management update August 2019</p> <p>Further work has taken place to improve the link redundancy for Southwark with link an extra link commissioned at Tooley Street.</p> <p>No other network improvements are planned at this time.</p>
<p>Network activity should be baselined and pro-actively monitored in order to identify unusual or suspicious activity. This monitoring should include, but not be limited to:</p> <ul style="list-style-type: none"> • A record of the balance of network activity and external traffic • A record of all open and closed ports and where these have been changed • A record of standard network activity for any given time, which includes known peaks. <p>Furthermore, management should establish a programme to review the efficacy of the network security controls that have been deployed.</p> <p>Medium</p>	<p>Enterprise Architect - IT Shared Services.</p> <p>October 2017 May 2019 September 2020</p>	<p>Recommendation not implemented</p> <p>Management comment on progress</p> <p>When the council transitioned from Capita, Capita retained the configuration of the System Centre Operations Manager (SCOM) monitoring system as intellectual property. As part of the data migration project, the shared ICT service will review the monitoring requirements and reconfigure SCOM to address this recommendation. This security design has now been implemented. A server plan has been provided that shows that this process is underway.</p> <p>As the servers are moved to the new network infrastructure, the new Juniper infrastructure has some Intrusion Detection built in. This will log anomalies to the monitoring infrastructure. The monitoring solution (Splunk) is in place and being configured.</p> <p>The new network is scheduled for completion in early 2019 with all the servers being moved on to it as part of the moves from Spring\Cody and Tooley street.</p>

Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
		<p>A record of open and closed ports is kept within the firewall rules. These are checked during the IT Health check. Copies of the rule sets will be copied to a file share on a monthly basis to check for changes.</p> <p>Management update August 2019</p> <p>A significant amount of the envisaged progress has been de-railed by the failed DC migration project.</p> <p>The majority of Servers and services remain in Spring Park and Cody park.</p> <p>A new project is being undertaken to move the Southwark servers to the Microsoft Azure Cloud for which a partner with experience is being procured to assist with the design and build of the cloud infrastructure following security best practices.</p> <p>There is therefore a significant amount of work to do, the new project is looking to be out of Cody and Spring park by September 2020.</p>
2017/18 - Land Charges		
<p>All costs associated with the provision of the land charges service should be determined for a one year period, including both direct and indirect costs. This information should be collated and compared to the total number of searches provided over a one year period to determine an approximate cost per search. This should be compared to previous years to determine how the level of requests will impact on the expenditure to determine the fixed and variable costs, to allow for the costs to be extrapolated to ensure that they are in line with projections for future requests. The information should be reviewed annually to ensure it remains a true reflection of costs.</p> <p>High</p>	<p>Planning support and land charges manager Group manager - validation and fast track Director of planning</p> <p>March 2019 May 2019 December 2019</p>	<p>Not implemented</p> <p>Management has responded that the budget and costs will be worked out with the Divisional finance manager to review the current charges in place since the last review in 2015, as the service has moved from legal to the planning division.</p> <p>It was advised that the team is currently working on a new planning system Uniform and the recommendation should be implemented by end of December 2019.</p>
<p>A review should be undertaken to identify the benefits, costs and risks associated with offering a personal search service undertaken by council officers. This review should include the costs to the service and the possible implications should incorrect data be supplied, as well as whether the decision is in line with council objectives. Alternatives should also be explored, such as offering the self-service at other council buildings and benchmarking against other councils to identify best practice.</p>	<p>Planning support and land charges manager Group manager - validation and fast track</p> <p>March 2019 May 2019 December 2019</p>	<p>Not implemented</p> <p>Management has responded that they have to provide a personal search service, however when the planned move of the land charges register to HM land registry then there will be no cost to the council as agents will use HM land registry direct to get a copy of the register for free with them.</p>

Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<p>The reasoning behind the decision should be documented and reviewed on a regular basis.</p> <p>Medium</p>		
<p>The council should undertake a review to confirm the anticipated financial loss as a result of the transition of local land charges to Land Registry. Appropriate steps should be taken to determine how this loss will be offset by the council, to ensure appropriate cost-savings measures will be implemented in a timely manner.</p> <p>Medium</p>	<p>Planning support and land charges manager Group manager - validation and fast track</p> <p>March 2019 May 2019 December 2019</p>	<p>Not implemented</p> <p>The management has responded that they will work out the loss of the LLC1 search cost to HM land registry when there are clear proposals to transfer the register of local land charges.</p>
2017/18 - Corporate Energy		
<p>For each of the council's buildings in the green building programme a performance target should be set for each key area and should be allocated to an officer who should monitor and report to senior management on performance to enable the council to evidence how it is reducing costs and its environmental impact.</p> <p>The energy team should further enhance communication with departments on how the green buildings programme is progressing and how staff across the council can play a role in achieving the council's targets.</p> <p>Medium</p>	<p>Sustainability & energy manager</p> <p>September 2018 March 2020</p>	<p>Superseded</p> <p>Management has responded that in March 2019 the council declared a Climate Emergency, stating it would do everything it could to accelerate its current carbon reduction programmes and become a carbon neutral borough by 2030.</p> <p>In light of this, a review of the council's entire approach to sustainability and carbon reduction is being carried out and a new programme developed. This has superseded the current green buildings programme and placed a hold on the capital programme.</p> <p>It is likely that elements of these programmes will be incorporated into the revised strategies and work streams, and new governance arrangements will be introduced. It is expected that a draft carbon reduction strategy will be produced in Q3-Q4 2019.</p> <p>We will follow-up the recommendations in light of the above in April 2020.</p>
<p>A formal programme and budget plan for use of the capital carbon fund should be developed to clearly show where funds have or are to be allocated. This can then be monitored along with the outcomes from the original proposal to ensure the fund was used appropriately.</p> <p>To support the above, the energy team should liaise with the appropriate forums to ensure council staff are aware of the capital funding for carbon</p>	<p>Sustainability & energy manager</p> <p>September 2018 March 2020</p>	<p>As above.</p>

Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<p>reduction and how proposals to obtain funding covering how the funding might be used.</p> <p>Medium</p>		
<p>2017/18 - Information Governance</p>		
<p>A firm, but realistic, deadline should be set for staff to complete the mandatory e-learning information governance training course. This should be communicated through various means across the council, such as by email and a post on 'The Source'. Progress towards council-wide completion of the course should be monitored close to the deadline and reminders issued to those (and possibly their line managers) yet to complete.</p> <p>Any staff who miss the deadline should be reported to the relevant directors for investigations into the reasons for non-compliance. Staff should be made aware of any consequences of non-compliance.</p> <p>Medium</p>	<p>Information Governance Manager</p> <p>January 2018</p> <p>June 2019</p> <p>August 2019</p>	<p>Partially implemented</p> <p>Management has responded that there is a training material and a 'test' that the services has agreed with. However, due to Organisational Transformation officer's absence it has been delayed and is now planned to go live later in August 2019.</p>
<p>2015/16 - S106 Agreements</p>		
<p>Section 106 Management should carry out an annual review of the following procedural guidance to ensure that they reflect current practice:</p> <ul style="list-style-type: none"> • The Supplementary Planning Document (SPD); • Process notes; and • Guidance recorded on the Southwark Source. <p>Annual review of these guidance sources should be recorded on file; with relevant sign off from an authorising officer.</p> <p>Medium</p>	<p>Planning Project Manager</p> <p>June 2019</p> <p>August 2019</p> <p>September 2019 and January 2020</p>	<p>Not implemented</p> <p>Management has responded that recruitment of S106/CIL team leader will include this responsibility within their job description and that post was recruited in January 2018. However, post-holder has transferred in other service and the HR is currently formalising the transfer. The post is expected to be recruited by end of September 2019.</p> <p>We were advised that ongoing review of sources - delay due to amount of data required to be uploaded into new Exacom system. Contractor was employed to June 2019 to complete this. However, extension to contract has been granted due to sheer volume of data to be migrated. This is estimated to be completed by January 2020.</p>
<p>The council should ensure that it monitors non-financial obligations arising from S106 agreements both during development and after the project has been completed if the developer has outstanding or on-going S106 obligations.</p> <p>Medium</p>	<p>Planning Project Manager</p> <p>June 2019</p> <p>August 2019</p> <p>September 2019 and January 2020</p>	<p>As above.</p>

7. KEY PERFORMANCE INDICATORS (as per Internal Audit Charter 2019-20)

Description / KPI for Internal Audit 2019-20	Actual and comment	RAG Rating
Audit Coverage		
Annual Audit Plan delivered in line with timetable	To be reported at 31 March 2020.	-
Actual days are in accordance with Annual Audit Plan - 1,030 days	To be reported at 31 March 2020.	-
Relationships and customer satisfaction		
Customer satisfaction reports - overall score at average of at least 3.5 / 5 for surveys issued at the end of each audit.	We have received three survey responses to date, providing a rating of 5 in one case and 4 out of 5 in two cases.	●
Annual survey to Audit, Governance and Standards Committee to achieve score of at least 70%	Survey issued, awaiting further responses.	-
External audit can rely on the work undertaken by internal audit (where planned)	N/A to date	-
Staffing		
At least 60% input from qualified staff		●
Audit Reporting		
Issuance of draft report within 3 weeks of fieldwork `closing` meeting	All draft reports issued to date were within 3 weeks of the closing meeting.	●
Finalise internal audit report 1 week after management responses to report are received.	All final reports issued to date were within 1 week of receipt of the complete management responses.	●
90% recommendations to be accepted by management	All final reports issued to date were within 1 week of receipt of the management responses.	●
Information is presented in the format requested by the customer	We have agreed the reporting format with the director of finance and governance.	●
Audit Quality		
High quality documents produced by the auditor that are clear and concise and contain all the information requested - measured within customer satisfaction surveys	We have received three survey responses to date, all providing a rating of 4 out of 5 with regards to the quality of our outputs.	●
Positive result from any external review	No external review undertaken to date.	●

Description / KPI for Council Management and Staff 2019-20	Actual and comment	RAG Rating
Response to terms of reference and reports		
Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within three weeks of receipt	With minor exceptions (usually due to leave commitments), council management have responded in a timely manner.	
Implementation of recommendations		
Audit sponsor to implement all audit recommendations within the agreed timeframe	Refer to section 5 of this report.	
Co-operation with internal audit		
<p>Internal audit to confirm to each meeting of the Audit, Governance and Standards Committee whether appropriate co-operation has been provided by management and staff:</p> <ul style="list-style-type: none"> a) providing unrestricted access to all of the Council's records, property, and personnel relevant to the performance of engagements b) responding to internal audit requests and reports within the agreed timeframe and in a professional manner c) being open to internal audit about risks and issues within the organisation d) not requesting any service from internal audit that would impair its independence or objectivity e) providing honest and constructive feedback on the performance of internal audit f) implementing agreed recommendations within the agreed timeframe. 	<p>We can confirm that to date the Council's management and staff have cooperated as per the commitments a) to e).</p> <p>In respect of commitment f), the implementation of agreed recommendations within agreed timeframes requires improvement, as reported in section 5 of this report. In addition, prompt provision of evidence to support the implementation of recommendations allows us to sign them off as complete in a timely manner.</p>	



APPENDIX 1

OPINION SIGNIFICANCE DEFINITION

Level of Assurance	Design Opinion	Findings from review	Effectiveness Opinion	Findings from review
Substantial 	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate 	In the main, there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited 	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No 	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.



FOR MORE INFORMATION:

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