



INTERNAL AUDIT AND ANTI-FRAUD PROGRESS REPORT

London Borough of Southwark

For presentation to the Audit, Governance and Standards Committee

8 February 2021



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1. SUMMARY OF INTERNAL AUDIT WORK

Internal Audit

This report informs the Audit, Governance and Standards Committee of progress against completion of the 2019-20 internal audit plan (where delayed due to the Covid-19 pandemic) and the 2020-21 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 2020-21

The internal audit plan for 2020-21 was resumed from 17 August 2020, it was previously suspended due to the Covid-19 pandemic and the Council's reprioritisation of activities and redeployment of staff. We have held discussions with Council departments to confirm the audits for 2020-21, and these are now resourced, with the majority of scoping meetings having taken place or scheduled. Due to Covid-19 and the late commencement of the plan, we will continue to complete audits to the end of April 2021.

In respect of the schools internal audit plan, we have focussed upon finalising audits in progress and are agreeing a work programme with the Director of Education what will meet the assurance needs of the Council, whilst recognising that schools have faced significant pressure during the year and have remained closed for significant periods of time.

We have provided assurance with regards to the Troubled Families grant, completing our audits for the period 1 April to 31 December 2020. No exceptions were identified. Management has confirmed that they have met the claim submission target for the year by the end of December 2020 and will not be submitting any further claims in Quarter 4. We will therefore not carry out any further reviews in the financial year 2021-22.

We also support the Council each month in the publication of its transparency data, by providing an independent check on the accuracy and completeness of reporting.

Audits that are in progress and their current status for 2019-20 and 2020-21 are summarised in section 3 of this report. Where reports have been finalised, the executive summaries are included in section 4.

Internal audit plan 2021-22

A draft internal audit plan for 2021-22 is included separately as part of the Committee's agenda.

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 ahead of each Audit, Governance and Standards Committee. A full schedule of recommendations falling due in the period is issued to each Departmental Management Team.

The implementation rate for previous recommendations has increased marginally from 76% to 77%. This is low compared to previous years, primarily due to the impact of Covid-19. We keep this under review, to ensure the Council is focusing on the higher priority recommendations.

2. 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.

Summary of investigations 2020-21 to date

The figures below represent the team's investigations since 1 April 2019 for the period to 31 December 2020.

2020-21	Corporate Anti Fraud		Housing Waiting List		Right to Buy		COVID-19 Referrals	
	Open	Closed	Open	Closed	Open	Closed	Open	Closed
C/f	6		3		1		0	
April	19	<i>13</i>	6	<i>15</i>	2	<i>3</i>	7	<i>6</i>
May	9	<i>8</i>	4	<i>3</i>	3	<i>0</i>	11	<i>6</i>
June	4	<i>5</i>	6	<i>3</i>	1	<i>4</i>	4	<i>2</i>
July	10	<i>8</i>	8	<i>4</i>		<i>2</i>	9	<i>5</i>
August	8	<i>6</i>	4	<i>1</i>	4	<i>2</i>	5	<i>2</i>
September	15	<i>10</i>	1	<i>1</i>	1	<i>3</i>	3	<i>2</i>
October	21	<i>20</i>	4	<i>3</i>	3	<i>1</i>	0	<i>2</i>
November	7	<i>7</i>	1	<i>5</i>	4	<i>2</i>	1	<i>0</i>
December	7	<i>5</i>	3	<i>1</i>	4	<i>5</i>	1	<i>0</i>
Total	106	<i>82</i>	40	<i>36</i>	23	<i>22</i>	41	<i>25</i>

Active investigations

There are currently 42 active investigations being conducted by the Anti-fraud service. These can briefly be summarised as follows:

- Children & Adult Services - 9 Cases
- Housing & modernisation - 6 Cases
- Finance & Governance - 7 Cases
- COVID-19 - Business Grants - 11 Cases, Community Grants - 9 Cases

Of these, 4 cases relate to former Council employees and 4 cases relate to a current Council employee. No further information in respect of these investigations can be given at this time.

Pro-active investigations

In December 2020 a proactive exercise commenced to support Housing Allocations. The purpose of the exercise was to identify and verify those applicants (48) who recorded a working star as part of their application. The exercise will be completed in January 2021.

Update on fraud response policy

BDO remain in consultation with the Anti-Fraud and Internal Audit Service to complete re-drafting and updating of the Council's Fraud Response Plan.

The purpose of this is to ensure that the Plan fully and transparently sets out in detail the Council's approach to identifying and dealing with potential fraud, the responsibilities of staff and the public in reporting suspicions of fraud, the approach the Council is committed to in investigating allegations of fraud, and the possible sanctions open to the Council when fraud is proven to have taken place.

Once completed it is currently envisaged this will be available to all staff and members of the public via a number of platforms.

In addition, the key points of the Plan will form part of updated intranet source material and also be used as part of updated and revised internal training.

The plan is due to be presented to the Strategic Director for Finance & Governance at the end of February 2021.

Grant update

Grant payments ceased last year. The data for COVID SBRG, RHLG and Discretionary Grant payments has now been uploaded as part of the NFI 2020 exercise this data matches will be released sometime in March 2021.

Other business

The Corporate Anti-Fraud Team case management system is being migrated to the new DA laptops and in due course will be transferred to Microsoft 365.

Two team members will benefit from approval through the Professional Qualification Scheme for external training. The accredited training will provide the staff with more knowledge and lead to improved effectiveness in their roles.

3. SUMMARY OF WORK IN PROGRESS

INTERNAL AUDIT PLAN 2019-20

The table below excludes 21 reports previously reported as final, 17 included in our head of internal audit opinion and four reported at November 2020 committee (NB: the reports finalised in this period have no impact on our annual opinion for 2019-20). Where the audits are shaded in grey these have been finalised since the last meeting of the Audit, Governance and Standards Committee and the executive summaries are included in section 4.

Audit	Director / Audit Sponsor	Days	ToR issued	Fieldwork	QA / Reporting	Design	Operational Effectiveness
Payments to Children and Families	Director of Children’s Social Care	22	✓	✓	Final report	Moderate	Limited
Foster Carers	Director of Children’s Social Care	15	✓	✓	Final report	Moderate	Moderate
Tenancy Management Organisations - Fair Community Housing Services	Director of Communities	25	✓	✓	Updated draft report issued 30/10/20		
Tenancy Management Organisations - Falcon Point	Director of Communities	25	✓	✓	Updated draft report issued 30/10/20		
Pensions Administration (Schools)	Director of Education Children’s Services	15	✓	✓	Updated Draft report issued 17/12/20		

INTERNAL AUDIT PLAN 2020-21

The table below includes the full plan for the year, where the audits are shaded in grey these have been finalised since the last meeting of the Audit, Governance and Standards Committee and the executive summaries are included in section 4.

Audit	Director / Audit Sponsor	Days	ToR issued	Fieldwork	QA / Reporting	Design	Operational Effectiveness
2020-21							
Tree Management	Strategic Director of Environment and Leisure	20	✓	✓	✓ Final report	Moderate	Limited
School Admissions	Director of Education	12	✓	✓	✓ Final Report	Substantial	Substantial
Troubled Families Grant	Director of Children's Services	24	A schedule of monthly audits is undertaken, on a sample of 10% of claims to be submitted. Claim target achieved, no further reviews required for the financial year 2020/21.			April to December 2020 completed. No exceptions identified.	
Customer Experience - Data Collection and Analysis	Director of Customer Experience	20	✓	✓	✓ Final Report	NA Advisory	
Community Infrastructure Levy	Director of Planning	15	✓	✓	✓ Final report	Substantial	Moderate
Customer Experience and Complaints	Director of Customer Services	15	✓	✓	✓ Final report	Substantial	Moderate
Corporate Credit Cards	Strategic Director of Finance and Governance	15	✓	✓	✓ Final report	Moderate	Limited
Litigation Protocols	Director of Law and Democracy	15	✓	✓	✓ Final report	Substantial	Moderate
Community Safety Partnerships	Director of Communities	15	✓	✓	✓ Final report	Substantial	Moderate

Audit	Director / Audit Sponsor	Days	ToR issued	Fieldwork	QA / Reporting	Design	Operational Effectiveness
Bankline	Strategic Director of Finance and Governance	15	✓	✓	✓ Final report	Moderate	Moderate
Supported Accommodation - Family Hostels	Director of Resident Services	15	✓	✓	✓ Final report	Moderate	Limited
Accounts Receivable and Debt Management (Environment and Leisure)	Directors of Exchequer, Environment and Leisure	15	✓	✓	✓ Draft Report issued 09/11/20		
Movement (Transport) Policy and Planning	Director of Transport	15	✓	✓	✓ Draft Report issued 05/01/21		
Climate Emergency Strategy	Strategic Director of Environment and Leisure	15	✓	✓	✓ Draft Report issued 27/01/21		
Bupa Overpayments	Strategic Directors of Finance and Governance, and Childrens' and Adults	15	✓	✓	✓ Reporting		
Substance Misuse	Director of Adult Social Care	15	✓	✓	✓ Reporting		
New Homes Programme	Director of New Homes Programme	15	✓	✓	✓ QA		
Adoption Service	Director of Childrens Social Care	15	✓	✓			
All Age Disability Service	Director of Adult Social Care	25	✓	✓			
Anti-facilitation of Tax Evasion	Strategic Director of Finance and Governance	15	✓	✓			

Audit	Director / Audit Sponsor	Days	ToR issued	Fieldwork	QA / Reporting	Design	Operational Effectiveness
Contracts Register	Director of Law and Democracy	25	✓	✓			
Demolition Process	Director of Customer Services	12	✓	✓			
Housing Applications	Director of Customer Services	20	✓	✓			
IT - Cyber security	Director of Modernise	20	✓	✓			
SAP Scheme of Delegation and Authorisations	Director of Exchequer Services	15	✓	✓			
Supported Living	Director of Commissioning	15	✓	✓			
Accounts payable	Director of Exchequer Services	15	✓				
Direct Payments	Director of Adult Social Care	15	✓				
Financial Planning and Budget Monitoring	Chief Officers Team	25	✓				
Fraud Protocols	Strategic Director Finance and Governance and Corporate Governance Panel	20	✓				
Payroll and HR	Director of Exchequer Services	25	✓				
Pensions Administration	Strategic Director of Finance and Governance	15	✓				
South Dock Marina	Director of Leisure	12	✓				
Travel Assistance	Director of Education	15	✓				
IT - Mobile device management	Director of Modernise	20	Scoping discussion				

Audit	Director / Audit Sponsor	Days	ToR issued	Fieldwork	QA / Reporting	Design	Operational Effectiveness
IT - Software Asset Management	Director of Modernise	20	Scoping discussion				
Mosaic operational audit/payments	Director of Adult Social Care and Director of Childrens Social Care	15	Scoping discussion				
Treasury Management	Director of Exchequer Services	12	Scoping discussion				
Tenancy Management Organisations	Director of Communities	25	Scoping discussion				

4. EXECUTIVE SUMMARIES OF REPORTS FINALISED SINCE THE LAST MEETING

ADD04 CUSTOMER EXPERIENCE - DATA COLLECTION and ANALYSIS December 2020		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	-
		NA	NA	Medium	-
				Low	-
Purpose of audit	<p>The objectives in undertaking this work were to:</p> <ol style="list-style-type: none"> 1. Analyse the sources of data used and how these are translated into KPI reporting, the accuracy and completeness of that data. 2. Analyse the methodology used by the Council, to confirm it can be replicated over time and the same figures arrived at if generated retrospectively 3. Re-perform the reporting lines and Channel Shift Reports i.e. digital channels (emails, MySouthwark) versus traditional channels (such as face to face and telephone), to ensure they appropriately distinguish between digital and traditional channels and to ensure information from all workstreams have been included in the reports presented to the monitoring hierarchy. 				
<p>Background:</p> <p>The Council has a Customer Access strategy in place for the period 2017 to 2020, which aims to transform the way in which residents and customers of the Council access their services. The Strategy, along with the complementary Digital and Modernisation strategies, sets out the Council's approach over the next four years. The Council has an online platform, My Southwark, which has over 100,000 registered accounts. This platform offers a variety of online services and supports more traditional means of contact with the Council.</p> <p>The Council measures performance against a number of key performance indicators and has four workstreams for reporting on its KPIs:</p> <ul style="list-style-type: none"> • Contact Centre reports on the phone calls received for the 36 services they deal with • Business Support Team reports on the Email and Walk-in Centres customer contacts • MySouthwark admin team reports on the platform customer contacts • IT team deals with online data and E-referral forms <p>The reports from the above four workstreams are sent to the Director of Customer Experience each month and then presented to Cabinet by the Strategic Director of Housing and Modernisation</p> <p>Conclusion:</p>					

The Council have a sound system of internal controls and monitoring hierarchy in place at the top level. Monthly KPI's have been agreed and reported to the SMT for review and monitoring purposes.

However, a number of reoccurring exceptions were found in testing of the procedures and sources of data, which could put the system objectives and internal control framework at risk. Presently the data could be understated in regards to phone, service points and email interactions or overstated relating to online e-forms.

Based upon the data available, we have been able to draw the following broad conclusions from our re-performance of reporting lines i.e. channel shift reporting and analysis:

- The Council is not targeting service areas or partners effectively to establish a plan of needs and priorities. The services have been targeted based upon volume and no information was available for at least 35 service areas out of the 44 identified services for digital or non-digital interactions with customers.
- No data validation exercise is conducted to verify the accuracy of the data sources as the individuals responsible for collation of date (QTM) do not have direct access to any of these systems and have to rely on the service areas, WST and Hornbill, to report this information on a monthly basis. The services only provide a top level position of the department and do not provide the corresponding data extracts to verify the position for data validation purposes.
- Lack of communication and formal means of cooperation between departments was identified which has led to inaccurate digital vs non-digital percentages reported to SMT.
- The data reported to the SMT is understated in regards to phone, service points and email interactions and overstated relating to online e-forms.

PW12 COMMUNITY INFRASTRUCTURE LEVY (CIL) December 2020		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	-
		Substantial	Moderate	Medium	1
				Low	-
Purpose of audit	To provide assurance over the adequacy and effectiveness of current controls over the Community Infrastructure Levy (CIL) and the Mayoral Community Infrastructure Levy (MCIL) and provide advice on improvements as necessary. We reviewed the Council's collection arrangements and spending with regards to its responsibilities for the London Borough of Southwark CIL and Mayor of London's CIL under the Planning Act 2008.				
<p>Background:</p> <p>The Community Infrastructure Levy (CIL) is a charge introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their local community and neighbourhoods. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. New developments that create net additional floor space of 100m² or more, or that create a new dwelling, are potentially liable for the CIL. Charges are based on the size, type and location of the new development and are set out in the Annual CIL Rate Summary, which for Southwark Council came into force on 1 April 2015. The Council also collects the Mayoral Community Infrastructure Levy (MCIL) on behalf of the Greater London Authority (GLA), which is paid to the GLA.</p> <p>Local authorities must spend the levy on infrastructure needed to support the development in their area, and they will decide what infrastructure is needed. The levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development. The levy can be used to fund a wide range of infrastructure, including transport, schools, flood defences, hospitals, and other health and social care facilities. Charging authorities may not use the levy to fund affordable housing. The Council spends the levy on: 70% - borough wide infrastructure (covered by regulation 123 list); 25% - local area Neighbourhood/Local CIL and 5% - management cost.</p> <p>Good practice:</p> <ul style="list-style-type: none"> • Guidance on the Council's public website and within correspondence to the applicant is comprehensive and aims to ensure that the applicant follows the regulations in an efficient and effective manner. In particular, the Council highlights that a commencement notice must be completed and returned before a development can start. • We confirmed through sample testing that exemptions and reliefs are granted only on those applications where the appropriate evidence was submitted as required through CIL information forms and appropriately authorised. We confirmed for the same sample that the developments were eligible for reliefs or exemptions in line with legislation and the Council's policy and that they were supported by appropriate evidence retained. • The Council issues a Demand Notice detailing the amount to be paid by the applicant and when it is due. The instalment policy applied is in accordance with legislation and was reviewed within the audit. We confirmed through sample testing that these were being administered in line with the legislation and the Council's policy. 					

- Payments are receipted in compliance with the payment procedure and acknowledgement is sent to all liable parties. Payments could be traced back to the Exacom and SAP finance systems. The income received is monitored on monthly basis, through the Exacom system, which provides detail of the amounts overdue based on the instalment policy applied to the specific development. This information is also reported annually through the Community Infrastructure Levy Annual Financial Report.
- The Council CIL Income and Expenditure reports are produced annually by the Planning Projects team, reconciled with the SAP Finance system and published on the Council's website. A review of the sampled reports identified that these provided details on CIL receipts, CIL expenditure and summary details of CIL expenditure during the reported year including significant infrastructure to which CIL has been applied, administrative expenses and total amount of CIL receipts retained at the end of the reporting year.
- The Mayor CIL reports are produced quarterly via Exacom, reconciled to the SAP finance systems and emailed to the TFL (GLA) as per financial reporting requirements stipulated by TFL. Our review of sampled reports identified they include a reconciliation of MCIL receipts collected for the reporting period and a summary of the future CIL liabilities based on planning applications commenced, 60 day demand notices sent, liability notices issued and repayment or abatement provision for the next quarter.

Key findings:

Our sample testing of 14 chargeable developments, where exemptions and reliefs have been applied, identified the following three exceptions:

- In one case inadequate evidence was retained relating to the changes in the chargeable area and relief applied.
- In one case, recalculation of the net chargeable liability identified a difference of £2,817 on a net liable amount of £44,057, when reconciled with the Exacom calculation. The Exacom support officer confirmed that this error originated due to over application of relief to the development and will be manually overridden.
- In one case, the final instalment amount was pending and overdue by two months.

Conclusion:

Our review found sound system of internal control and appropriate procedures in place, designed to achieve system objectives and mitigate key risks. However, a small number of exceptions were identified in the sample testing of the procedures and controls, with evidence of non-compliance found in the calculation of net chargeable area and corresponding CIL liability.

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

Effectiveness	<ul style="list-style-type: none"> • Management should conduct quarterly formal reviews on randomly selected developments where exemptions or relief are applied, to ensure the calculation of chargeable liabilities, reliefs identified and chargeable areas are calculated accurately and appropriate evidence is retained on any amendments made. • Where manual interventions are required to override the calculations, these should be documented in the Exacom system.
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HM24 CUSTOMER EXPERIENCE AND COMPLAINTS January 2021		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Substantial	Moderate	High	-
				Medium	1
				Low	1
Purpose of audit	To review the complaints process and controls with regards to children's services and to confirm that the Council is adhering to legislative requirements under the Children Act.	Added Value	We provided a summary of the Council's performance against six similar London boroughs comparing the number of complaints received at Stage 1, 2 and 3 along with Stage 1 complaint resolution rates. We identified that the number of complaints classified as upheld or partially upheld (41%) were generally higher than other boroughs and the Council had the lowest number of complaints recorded as 'not upheld'.		
<p>Background:</p> <p>The Children Services Complaints Policy has been devised to ensure the Council complies with the requirements of the Children Act 1989, Representation Procedure (England) Regulations 2006. The policy applies to the complaints associated with the Council's obligations under the Children Act. However, Corporate Complaints Policy applies to the complaints relating to activities outside the obligations of the Children Act which is confirmed in writing at the time of accepting the complaint. When a complaint is first received, it is assessed to determine whether an immediate resolution can be found by discussing the option with the complainant or their representatives. These representations are formally recorded and count towards overall complaint figures. If the complainant and their representatives are not happy to proceed on this basis, or if there is no satisfactory outcome delivered, then the Complaints Team escalates the complaint to the following stages if the matters remain unresolved at each escalation:</p> <ul style="list-style-type: none"> • Stage 1: Members of the Complaints Team investigates the complaint • Stage 2: An Investigating Officer from outside the Council is contracted to investigate • Stage 3: A Review Panel comprising of three independent people assess the quality of the Stage 2 complaint investigation <p>If the complainant, or their representative, remains unhappy after the Review Panel (Stage 3), the next stage is to approach the Local Government and Social Care Ombudsman.</p> <p>Good practice:</p> <ul style="list-style-type: none"> • The Guidance on formal complaints processes, including the Children's Services Complaints Policy, Corporate Complaints Policy and the Social Care and Education Complaints Procedures Manual, is in place. These documents are accessible to all relevant staff involved in the complaint handling process and are retained on the Council's shared drive. • Policies are readily available to customers on the Council's website and include adequate details on the processes relating to complaints such as who can complain, the investigation process and how to make a complaint. 					

- Training arrangements for relevant officers are adequate. The Local Government and Social Care Ombudsman releases guidance and courses periodically, onto which relevant officers are booked.
- An action plan is agreed at the end of each complaint and learning and recommendations are identified, which is recorded within an email sent to the relevant service. The Complaints Team receive prompts on iCaseWork recording the actions that are required to be followed up. Once these tasks are recorded as complete, they disappear from the task list and the complaint is recorded as closed. We obtained evidence of the follow-ups undertaken by the team.
- Themes and learning points from complaints are recorded in the Social Care Complaints quarterly and Complaints annual reports. The reports are disseminated to the investigating departments to prevent future recurrence. We identified a declining trend in the outcome of the complaints recorded as upheld from 16% in 2017/18 to 10% in 2019/20 indicating that the learning points were implemented by the investigating departments.
- There is generally a good oversight regarding management of customer complaints and a trend analysis is carried out to identify areas of improvement.
- For a sample of 15 complaints out of a total of 116 complaints registered in the period 1 April 2020 to 30 September 2020, we identified in all 15 cases that an acknowledgement letter was sent to the complainant. The details of the complaint were sent to the relevant service by the Complaints. Team on a timely basis, in accordance with the Children’s Services Complaints Policy.

Key findings:

A number of exceptions relating to the time frames in the complaint management process have been identified. In one case, a complaint acknowledgement letter, although evidenced, was not sent within three business days from the complaint received date, in five cases, a draft response was not provided by the investigating service to the Complaints Team within the required timeframe and in six cases, a final response was not sent to the complainant within 20 business days for Stage 1 and 25 to 65 business days for Stage 2 complaints per the Children’s Services Complaints Policy. Most delays identified were 1 or 2 days but the highest was 51 days and most delays were due to service departments not responding on time.

Conclusion:

We have concluded a substantial opinion on the control design and moderate opinion for operational effectiveness. Basic controls are in place to address risks faced by the service, including guidance on formal complaints, adequate training arrangements in place and themes and learning points being recorded in the quarterly reports. However, there is a need to improve the timeliness of responses to complaints.

Looking forward: supporting the Council’s journey from moderate to substantial assurance

Effectiveness	<ul style="list-style-type: none"> • The Complaints Team to ensure that an acknowledgement letter is sent to the complainant within three business days. • The investigating departments to ensure that a draft response is sent to the Complaints Team within the required time frame and any delays are communicated on a timely basis. • The Complaints Team to ensure that a final response letter is sent to the complainant within 20 days of receiving a Stage 1 complaint and between 25 and 65 days of receiving a Stage 2 complaint in line with the requirements of the Complaints Policy
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TR19 CORPORATE CREDIT CARDS January 2021		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	-
		Moderate	Limited	Medium	4
				Low	-
Purpose of audit	To review the controls over credit cards issued to employees of the Council, and departmental approval, monitoring and review of expenditure incurred using credit cards.	Added Value	We have completed an analysis of the credit card spending for the period 1 April 2019 to 31 August 2020. Out of a total of 5,961 transactions undertaken in the period for a cumulative total of £881,752, we identified that 87% of the transactions by number were related to the cardholders in Children and Adults Services (CAS) department. However, only 41% of the transactions by value were related to these cardholders. We also identified that only 3% of the transactions by number were related to the cardholders in Chief Executive's (CE) department whereas these transactions comprised 39% of the transactions by value. The Council should consider a review of low-value payments undertaken periodically by the cardholders in the CAS department to identify if payment by direct debit would be operationally beneficial. High-value payments undertaken by the cardholders in the CE department should be reviewed to ensure that the credit and transactional limits of the cardholders are appropriate.		
<p>Background:</p> <p>Corporate credit cards are available to Council officers to enable holders to make payments where there is no other option of payment or this method is financially or operationally beneficial to the Council. Spending is limited to a pre-determined range of goods and services with monetary limits being set per transaction and per month. Cash withdrawal facilities are permitted only on specific cases.</p> <p>Those issued with cards must be identified and authorised within their departmental scheme of management and are required to sign a declaration accepting both the bank's terms and conditions and the council's own terms of use. Payments made by a corporate credit card are recorded monthly, the departments are required to review and reconcile the charges each month ensuring any VAT is correctly recorded. Before applying for a corporate card, applicants need to complete a business case, which should set out proposed areas of spend and any restrictions on usage. This should be signed off by the appropriate strategic director and then forwarded to Corporate Banking and Control for review prior to a formal approval by the Strategic Director of Finance and Governance.</p> <p>The operation of these cards is governed by a corporate charge card protocol that was published in September 2017. A corporate card reconciliation sheet must be completed for each statement. The sheet is signed by the cardholder and authorised by the relevant officer per the departmental scheme of management to confirm that they are satisfied that the expenditure is correct and appropriate. This should be retained by the cardholder with supporting documents in line with document retention policy.</p> <p>In the financial year 2020-21 to 31 August 2020, there were a total of 96 corporate credit cardholders who had spent a total of £454,200 across 1,106 transactions.</p>					

Good practice:

- A corporate charge card protocol is in place that includes cardholder responsibilities and the need to complete a business case
- A business case was available for all 15 sampled cardholders, which had been appropriately approved in accordance with the corporate charge card protocol
- All 25 sampled corporate credit card transactions were found to be reasonable and supported by valid receipts
- Cardholder’s credit and transactional limits were accurately recorded by the Corporate Banking and Control Team in line with bank limits.

Key findings:

- We reviewed a sample of 15 current credit cardholders out of a total of 96 as at the end of August 2020 and identified the following exceptions:
 - In 12 cases, a formal review of the use of the credit card had not been undertaken and recorded
 - In six cases, the information recorded on the departmental scheme of management did not match with the cardholder’s credit and transactional limits and in one case, the information did not match with the approved business case
 - In four cases, an employee declaration form could not be evidenced
 - In two out of 11 cases where an employee declaration form was available, the cost centre to be debited per the employee declaration did not match with the Financial Control and Processing (FC&P) records.
- We reviewed a sample of 25 credit card transactions out of a total of 1,106 in the period 1 April 2020 to 31 August 2020 and identified the following exceptions:
 - In seven cases (value: £5,209), the transactional limits associated with the cardholder were not recorded on the departmental scheme of management
 - In three cases, a credit card reconciliation statement was not signed by the cardholder whereas in 11 cases it was not signed by an independent reviewer confirming the validity of the transaction.
 - In four cases, a credit card reconciliation statement was not evidenced as signed by the cardholder and an independent reviewer within one month of the card statement date in line with good practice. In 13 cases, we could not confirm whether the statements were reviewed on a timely basis as these were not signed and dated by an independent reviewer.

Conclusion:

Basic controls are in place to address risks faced by the Council, including a protocol on corporate charge cards that includes information on the cardholders’ responsibilities and the process of obtaining approval on a business case. We identified a number of issues in the operational effectiveness of the controls in place.

Looking forward: supporting the Council’s journey from moderate to substantial assurance

Design	<ul style="list-style-type: none">• Complete an annual review of the use of the credit cards by all cardholders to confirm that it fits with the Council policy and that the controls around usage are in place.
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	<ul style="list-style-type: none"> • Complete an annual review to confirm all cardholders have an employee declaration form in place which should be signed by the cardholder accepting the terms and conditions of the use and by a member of the Corporate Banking and Control Team confirming the accuracy of the associated cost centre. • Complete an annual review to compare the cost centre details recorded on the employee declarations with the records maintained by the FC&P to ensure up to date information is maintained.
Effectiveness	<ul style="list-style-type: none"> • Ensure that agreed changes are reflected in the departmental scheme of management within a timely manner. • The Corporate and Control Banking Team to ensure that their records are updated promptly once the changes have been advised by the departmental leads. • Cardholders to ensure that their credit card is used in line with the agreed limits per their business case with any exceptions agreed in advance. • Ensure a credit card reconciliation statement is signed and dated by the cardholder and an independent reviewer within one month from the card statement date in line with good practice. • The departmental leads to ensure that any changes to cost centre details are communicated to the FC&P and Corporate Banking and Control Team in a timely manner.

FG08 LITIGATION PROTOCOLS January 2021		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	-
		Substantial	Moderate	Medium	3
				Low	-
Purpose of audit	To review the adequacy and effectiveness of the controls, procedures and criteria adopted in respect of whether the Council pursues litigation, including communication, clarity of roles and responsibilities and decision making processes.				
<p>Background:</p> <p>The Legal Services Team is a part of the wider Law and Democracy division within the Finance and Governance department. Its key function is to protect the legal rights, interests and reputation of the Council, directly or through legal advice, advocacy and support services provided to all the departments, their staff, to the elected members and external partners. The Strategic Director of Finance and Governance has the ultimate responsibility of providing legal services to the Council and its members to ensure that the Council exercises its powers and duties lawfully.</p> <p>The Legal Services comprises of the following five service areas: Corporate Team (Contracts, Employment & Governance), Regeneration & Development Team, Safeguarding & Community Services Team, Litigation Team and Business Support Team.</p> <p>Once a department raises a new service request, a case file is created on Visualfiles (the Council's case management and billing platform) which includes key information such as the details of the assigned lawyer, particulars of the case, case number and the lawyer's hourly billing rates.</p> <p>Good practice:</p> <ul style="list-style-type: none"> • A comprehensive Office Procedure Manual is in place and accessible to all staff, along with step-by-step guides that help fee earners with performing various functions on Visualfiles. • A sufficient number of files are subject to quality review in accordance with expectations set out in the Office Procedure Manual. • For our selected sample, all time recorded had been charged to client departments and all invoices paid by clients could be traced back to supporting timesheets. • All closed cases were charged for in a timely manner. <p>Key findings:</p> <ul style="list-style-type: none"> • From a sample of 15 active cases: <ul style="list-style-type: none"> - One case did not have evidence of the initial case instructions from the client departments attached to the file 					

<ul style="list-style-type: none"> - One case did not have sufficient evidence of the decision making process involved - Five cases did not have a client care letter on file • Due to the Covid-19 pandemic, and office closure, it has not been possible to archive paper files, therefore seven cases had not been archived and therefore fully closed. In three of these cases, time had continued to be charged (due to a new request) and a second case file was opened for new work in one case. • From a sample of five fee earners, half yearly performance reviews had not been completed for two fee earners and an annual performance review was not completed for one fee earner. <p>Conclusion:</p> <p>Policy and procedures are adequate, a sufficient number of files were reviewed and all legal costs are appropriately recovered, therefore we have concluded a substantial assurance opinion on control design. However, due to missing client care letters on case files, charging time to the wrong case on Visualfiles and a lack of consistency in completing performance reviews, a moderate assurance opinion was reached on control effectiveness.</p>	
Looking forward: supporting the Council’s journey from moderate to substantial assurance	
Effectiveness	<ul style="list-style-type: none"> • Ensure correspondence and client care letters for all cases is attached to case files on Visualfiles • Cases should be checked to ensure they are open before charging time to them • Half yearly and annual performance reviews should be completed by scheduling meetings ahead of time

PW06 COMMUNITY SAFETY PARTNERSHIPS January 2021		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	-
		Substantial	Moderate	Medium	-
				Low	-
Purpose of audit	To review the strategic framework, governance framework and financial framework relating to the Council's community safety partnership service.				
Background:					
<p>Serious youth violence is a key focus for Southwark Council and the Statutory Community Safety Partnership. Creating a safer community is a key objective within the current council plan 2018-2022. In Southwark, since September 2018 there has been a decrease in the number of knife crime offences however the levels remain high and have a devastating effect on its communities. Under the Crime and Disorder Act 1998 every London borough is required to have a Community Safety Rolling Plan. All London boroughs also are required to have a proactive plan for tackling knife crime and serious youth violence. Southwark has a knife crime and serious violence action plan for 2018-20 which sets out what all partners, Council, police, health, schools and others are doing to tackle the immediate threat. This is currently being refreshed. The plan sets out how the Council will support its communities in standing up against knife crime and violence.</p> <p>The Council's work relies heavily on funding made available from the Mayor's Office for Policing and Crime (MOPAC) through the London Crime Prevention Fund (LCPF); once work has been completed funding is then retrospectively claimed from these funds. Invoices are sent to the LCPF, quarterly in arrears. Annual reviews of the projects/programmes are completed in comparison against the relevant areas of the Police and Crime Plan performance framework, which is a MOPAC document. The amount of funding made available to the council from the LCPF is £555,790 per year for 2019/20 and 2020/21.</p> <p>The Crime and Disorder Act 1998 introduced a statutory framework for Community Safety Partnerships (CSPs). Southwark established the Safer Southwark Partnership as part of this requirement. Since 2016, the function of the CSP in Southwark has been subsumed into the remit of the Adults Safeguarding Boards. The Violence and Vulnerability Unit has recently undertaken a peer review of the work being completed by the Council and Partnership. They provided the Council with a 15 point action plan of recommendations they could incorporate. These are recommendations based on promising practice from other areas of the UK. They were incorporated into the local knife crime and serious violence plan.</p> <p>This Council and Partnership co-ordination of the plan is overseen by the Community Safety & Partnership Team which is headed up by the Assistant Director of Community Safety. This falls within the community directorate.</p>					
Good practice:					

-
- Regular invoicing is completed via the Greater London Authority portal and is broken down by funding area. Performance monitoring relating to the submissions is submitted on an annual basis. The performance monitoring is completed by funding area. For each area the Council rates its overall performance as red, amber or green. For each funding area there are a number of targets for the service to be meeting. Each target is accompanied with a narrative detailing the engagement the Council has had with the programmes they have implemented. If the funding area targets are not met the Council will not be able to obtain full funding; this will be reviewed at the end of the following financial year based on the information submitted to the Greater London Authority.
 - The Southwark Anti Violence Unit is currently rated green, and the associated five targets and narratives confirm that these have been exceeded
 - A Community Harm and Exploitation Reduction plan is in place and monitored. This plan incorporated the Extended Learning Review outcomes and these are also monitored as part of this.
 - The Southwark Safeguarding Adults Partnership has appropriate governance arrangements in place and meet to discuss agreed actions and progress.

Key findings:

No findings have been raised in relation to this audit.

Conclusion:

We have concluded substantial assurance for control design. We have concluded moderate assurance for control effectiveness, as three of the funding areas are currently marked as amber and are behind target:

The Southwark Integrated Offender Management is currently rated amber, there are six associated targets. The narratives confirm where the targets have not been met, with reasons for this and actions being taken to address this. The main reason for targets not being achieved include: the redeployment of the IOM Coordinator and change in referral process from Offender Managers which has been resolved through local Managers meetings.

The Southwark Violence Against Women and Girls actions are rated amber, there are 12 targets. For the targets that are not being met the narratives contain details on the progress made, and the work with external partner Solace that will ensure these are met. This target relies on external partner Solace for targets to be met and the Council has confirmed that further work is being completed with Solace including a new VAWG strategy.

The Early Interventions are rated amber, there are 3 target areas. For the one target not being met, it confirms the work being undertaken with external providers to ensure this will be met. The main reason for targets not being met is the financial year not aligning with the academic year. Further work is being completed including delivery of Peer Education Programmes directly within schools which are being scheduled.

ADD01 BANKLINE January 2021		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	-
		Moderate	Moderate	Medium	3
				Low	-
Purpose of audit	To review the processes and control framework in place for making payments via Bankline to ensure officers are appropriately trained and that payments are made based on requests with full supporting evidence and are authorised in accordance with the Council's authorisation schemes.				
<p>Background:</p> <p>This audit was an additional review to the original approved internal audit plan 2020-21, and was undertaken following a request from the Strategic Director Finance and Governance.</p> <p>The Council uses Banklin0 for payments that need to be made the same day, such as legal payments. Bankline is also used for treasury payments, foreign payments and emergency CHAPS payments that are required to be made faster than the usual SAP processes. Any ad hoc emergency payments, that are not treasury, legal or foreign payments, are approved by the Strategic Director Finance and Governance.</p> <p>A formal process is required to be completed before any payments are made through Bankline including approval of the payment within the specific team before it is approved by the Strategic Director. In the Strategic Director's absence there is delegated approval.</p> <p>The Council has set roles for using Bankline. Training is given to those making and approving payments.</p> <p>Daily and monthly reconciliations are completed of payments made, with the Financial Transactions and Processing team being responsible for coding the payments to the general ledger.</p> <p>For the period 1 August 2019 to 1 August 2020 there were 251 transactions made via Bankline, 39 standard transfers totalling £3,766,662, two urgent transfers totalling £16,591,027 and 210 CHAPS transfers totalling £1,122,930,844.</p> <p>Good practice:</p> <ul style="list-style-type: none"> • Appropriate training is provided to relevant staff and this is documents • The Source contains detailed notes to make urgent and CHAPS payments, including Bankline procedure notes and all relevant forms • The Source is updated regularly on processes and requirements of officers, this is also share via email • There is a daily rota in place for approving transactions 					

- All payments forms were completed correctly by the requestor, backing documentation was attached and were approved by relevant officers
- Daily reconciliations are completed that either reconciled, or all variances were resolved
- When completing data analytics, we identified one possible duplicate payment. Further investigation confirmed that the payment had been processed on both Bankline and SAP, however the SAP payment had been cancelled and reversed once the Bankline payment had been requested.

Key findings:

- From a sample of fifteen current Bankline users, two were no longer employees of the Council.
- From a sample of 20 payments, nine payment forms were not completed to confirm payment processing information including who processed it and when these were recorded onto the general ledger and SAP. Three payments did not include a processing reference and one payment was not processed onto the general ledger in a timely manner, with a delay of a month in the processing of this payment.
- Through a survey of 15 council employees, we found some inconsistencies and lack of awareness of the correct procedures to follow when requesting payments via Bankline, particularly the need to check SAP first before a payment is made to ensure there is no duplicate payment.

Conclusion:

Overall we have concluded a moderate assurance on control design. Sufficient training is provided to staff and The Source contains resources to guide Officers in making payments correctly. However, the payment request form does not remind staff to complete a review of SAP prior to requesting an urgent payment.

Overall, we have concluded a moderate assurance on control effectiveness. Through our testing, we were able to confirm that all payments were documented and approved appropriately and all variances identified during daily reconciliations are completely resolved. However, not all access was removed when staff resign, not all payments were processed onto the general ledger in a timely manner.

Looking forward: supporting the Council’s journey from moderate to substantial assurance

Design	<ul style="list-style-type: none"> • Amend the payment request form to ensure staff complete a review of SAP prior to requesting payment
Effectiveness	<ul style="list-style-type: none"> • Remove access to Bankline for all leavers from their last date of employment • Ensure all payments are processed in a timely manner • Complete all payment processing forms thoroughly

HM45 SUPPORTED ACCOMMODATION - FAMILY HOSTELS January 2021		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	2
		Moderate	Limited	Medium	1
				Low	-
Purpose of audit	To provide a review against operational procedures, how cases are managed, including new cases, a check of current governance arrangements, income collection, record keeping, security checks, inspections and repairs and maintenance regimes. We also considered actions implemented following the independent service model review commissioned in 2017.				
<p>Background:</p> <p>There are a number of ways that a family may present to the council as homeless, however the most common way is by attending the council office at Bournemouth Road. The Housing Solutions team will review their homelessness application and if families are found to be homeless and owed a duty by the Council, they are able to be placed at one of the 18 family hostels managed by the council. The Housing Solutions team maintains the bookings information and accommodation available to immediately place a family where possible. The hostels contain six to 66 units per hostel, allowing for approximately 350 families to be placed in temporary accommodation. Hostels rents are included as part of the Housing Revenue Account Rent Setting and Budget report. An independent service model review was commissioned in 2017 which provided actions for the service to take.</p> <p>Since the audit has been completed, the shared family hostel temporary accommodation has been taken out of service as it was not suitable for families during the COVID 19 pandemic. Families have now been transferred into appropriate accommodation where there is no sharing of facilities. The properties have been transferred to the new homes team for redevelopment into permanent family council homes. In agreement with Resident Services, we continued with the audit as our recommendations will be considered and incorporated into the wider temporary accommodation estates service.</p> <p>As a result of this change in shared hostels, it is not possible for the temporary accommodation team to fully implement all recommendations. However, within the remaining temporary accommodation in service, the areas raised fall under Estates and Asset Management rather than the temporary accommodation team. Repairs and health and safety checks are actioned under a separate protocol.</p> <p>Good practice:</p> <ul style="list-style-type: none"> Recommendation six of the Southwark Hostels Review completed by Campbell Tickell, the only recommendation that applied to family hostels, is being implemented. This recommendation surrounds converting two or three smaller family hostels units to create an improved pathway for vulnerable people with mental health issues. <p>Key findings:</p> <ul style="list-style-type: none"> Seven accounts out of 20 selected for testing had arrears and recent action had not been taken. There were delays of between two and five months 					

in action taken and the arrears amounts ranged between £450 and £5,000. The income officer advised that there were postage issues due to damage to the post boxes which are situated outside the main entrance to the accommodation and tenants being unable to receive post securely which also caused delays in arrears recovery. This had been raised by the income officer in September 2018 and the Hostels Manager advised that there was a plan to repair or replace these at all hostels. At the time of testing in March 2020 the works had not been completed.

- Out of 10 hostels selected for testing, two could not evidence that quarterly quality audits with the contractor had been completed. For the same hostels it was not possible to verify for one that weekly health and safety checks were completed. For the health and safety checks evidenced there were delays in these being signed off to confirm that the safety checks had been carried out by the hostel manager; the delays ranged from one week to two months after the checks had been completed. We selected a sample of 10 repairs raised during these inspections to confirm that they had been raised and completed in a timely manner.
 - One repair was raised in December 2019 and as of March 2020 the repair had not been completed. For the remaining nine repairs, it was not possible to locate these on the reports provided detailing all repairs raised since April 2019.
- In relation to the tenancy signing and monitoring processes:
 - For three tenancies it was not possible to verify a tenancy agreement has been signed
 - For four tenancies it was not possible to verify the initial checklist had been completed confirming keys had been handed over.
 - For four tenancies it was not possible to confirm the new tenancy check had been completed, for three tenants this was not completed within the required two weeks. One was completed just after two weeks, and the other two were carried out three weeks later
 - For five tenancies it was not possible to confirm that the 12 weekly occupancy checks had been carried out.

Conclusion:

As the key recommendation from the Campbell Tickel review has been implemented, but there are maintenance issues relating to post boxes, we have concluded a moderate assurance opinion on the control design. As we identified exceptions with regard to documentation, arrears recovery and timely repairs, we have concluded a limited assurance for operational effectiveness.

Looking forward: supporting the Council’s journey from moderate to substantial assurance

Design	<ul style="list-style-type: none"> • Ensure that any maintenance is completed in relation to post boxes.
Effectiveness	<ul style="list-style-type: none"> • Production of reports to identify and monitor arrears and take appropriate action. • Quality spot checks on arrears recovery, quarterly audits, weekly health and safety checks, and tenant checking in and monitoring processes should be completed. • Documentation should be recorded correctly on the information@work system.

CAS21 PAYMENTS TO CHILDREN AND FAMILIES December 2020		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	1
		Moderate	Limited	Medium	2
				Low	-
Purpose of audit	To review a review of the controls for monies paid to children and families, including authorisation, records management and reconciliation.	Added Value	Data analytics was completed in relation to cash withdrawals and was provided under separate cover for the service to investigate further. This identified a number of high card usage including cash withdrawals within the youth offending service, which was a team outside the scope of the audit. Following agreement with the Council, further sample checking was completed on a total of fifteen payments, including cash withdrawals, five each for the three highest spenders of the youth offending service. For all 15 transactions selected, all had approval either via a completed form or agreed via email by an appropriate manager. However, similar to finding 1 identified in the original draft report, as below, we found that receipts were not available for six of the 15 transactions. Five of these transactions related to cash withdrawals. Accordingly we would recommend that any agreed actions in response to this audit are shared and applied across the whole service.		
<p>Background:</p> <p>Since February 2018, the council has utilised AllPay, a payment system provider, for their prepaid card usage. The system allows for purchases to be made in the same way as a debit card. The cards are available in three different forms: corporate reloadable cards, client allowance reloadable cards and instant issue cards. These cards are essentially debit cards and include the ability to withdraw cash from cash machines, but are not contactless. Staff are also able to use their corporate credit cards, which are to be used in accordance with corporate guidance.</p> <p>Corporate reloadable cards are valid for one year, and are used as team cards in the name of a team manager or nominated user for travel and small sundry purchases. These cards are managed by the individual services. Instant issue cards are for emergency payments which are single use cards issued to clients for one off payments which are managed by the individual services. Client allowance reloadable cards are valid for one year and are issued in the name of the individual clients. They are issued to clients who receive regular payments but do not have a bank account. These cards are administered by the ART finance team and are issued to the client with their name on.</p> <p>A scheme of delegation is in place for the issuing and topping up of the cards, which incorporates segregation of duties.</p> <p>Corporate credit cards are managed centrally by the treasury team but it is the responsibility of the card holder to ensure that payments are correct and legitimate. Monthly reconciliations are completed by the cardholder and approved by a reviewer with authority under the departmental scheme of management. The strategic director for finance and governance will arrange for checks to be completed as deemed necessary. Quarterly reports are</p>					

requested by the ART finance team from Banking and Treasury Team detailing social care transactions. Spot checks are completed on the biggest spenders and invoices checked to ensure this is correct.

Monthly reports are generated from the AllPay portal for the three different prepaid cards. For cases where spend requires journaling this is completed at this time. AllPay operates on an imprest account basis, where an amount is required to be available for administering the cards. Every week an update is received on the amount in the AllPay account and consideration is given as to whether this will last the week.

The two teams with the largest expenditure are care/care leavers and safeguarding with 41% and 35% respectively. For quarter one of 2019/20, care/care leavers spent approximately £28k and safeguarding spent approximately £26k.

Good practice:

- A set of process guides are in place and available to staff
- Monthly reporting is completed on spend and shared to relevant budget holders

Key findings:

- Staff travel and expenses card are not issued correctly and documentation is not held centrally.
- Instant issue card documentation is not held centrally.
- There was a lack of evidence to confirm that instant issue cards are being used appropriately by client cardholders and spend is not being checked to confirm that the cards have been used in accordance with procedures.

Conclusion:

Due to a system of checks not being in place to verify the validity of expenditure on instant issue cards, we have concluded an opinion of moderate assurance over the design of the control framework. Due to a lack of evidence that staff travel and expense cards are being issued correctly and documentation not being available for these cards and instant issue cards we have concluded limited assurance over the effectiveness of the controls.

Looking forward: supporting the Council’s journey from moderate/limited to substantial assurance

Design	Complete quarterly checks on instant issue card and spend and stop issuing cards to individuals who are using cards inappropriately
Effectiveness	Complete quarterly checks to ensure that staff travel and expense cards and instant issue cards are correctly issued and documentation stored correctly

CAS24 FOSTER CARERS December 2020	LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
	Design	Operational effectiveness	High	-
			Medium	3
	Moderate	Moderate	Low	1

Purpose of audit	To provide assurance on the appointment and payment of foster carers and how the Council ensures that foster carers meet the council's initial and ongoing requirements.
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Background:

A foster carer is a person who is approved as a foster parent in accordance with the Fostering Services (England) Regulations 2011 (FSR), or is temporarily approved as a foster carer under the Care Planning Placement and Case Review (England) Regulations 2010 (CPPCR). The fostering service is part of the permanence service which is part of the children's social care division of the council. The Director of Children's Social Care reports to the Director of Children's and Adult's Services who is accountable to the chief executive.

There are four teams, each led by a team manager, under the overall leadership of the service manager. The fostering team also works with independent reviewing officers and the fostering panel as well as access to clinicians from the Southwark Clinical Service (SCS). The SCS offer direct consultation to staff and foster carers as well as providing training and workshops.

The council currently defines seven types of foster carers: general foster carer; family and friends foster carer; long-term foster carer; respite foster carer; family link foster; carer; early permanence foster carer and specialist foster carer. Payments to foster carers are made in the following ways: fostering allowance, fostering fee, specific additional allowances, specialist fostering and allowance fee and other payments. The fostering allowance and other payments are defined in the council's fostering payments to carers policy.

The council currently has 220 foster households, caring for approximately 252 children. The monthly payment run of foster carer payments for September 2019 totalled £144k.

Good practice:

- All potential foster carers were logged onto a spreadsheet and processed accordingly when they are in an appropriate situation
- From a sample of ten foster carers, all carers had a training and development plan in place
- From a sample of ten foster carers, all carers had an annual review and inspection completed within the last year
- For all of the samples tested, they were set up on Mosaic correctly for the correct payments and initial payments were made within a timely manner
- From a sample of 10 foster carers one off payments, it was noted that all payments were successfully implemented into Mosaic, correct payments

were made and within a timely manner

Key findings:

- The Statement of Purpose was not signed off by the Director of Children’s Social Care and the appropriate Cabinet Member. It was not possible to confirm the approval at Committee level.
- From a sample of 10 visit review logs, two foster carer’s visits were delayed by eight weeks.
- For a sample of 10 foster carer’s training plans:
 - Six foster carers had training and development plans in a word document, as opposed to recorded on Mosaic, which did not record whether the foster carer was compliant with the Training, Support and Development Standards (TSD).
 - One foster carer did not have a Mosaic training plan to confirm that it was TSD compliant.
- There were 23 overpayments identified from 2019-2020 totalling £23,700. From a sample of 10 foster carers overpayments:
 - Seven overpayments had notifications received and processed but it wasn’t possible to stop the payment run, as payments are made in bulk and this would mean correct payments would not be made.
 - Three overpayments have been repaid from future placements
 - One overpayment had a delay in processing the notification received from the social worker
 - Two overpayment notifications to the resources team were delayed.

Conclusion:

All potential foster carers are processed efficiently and carers have been reviewed and inspected within the last year. Due to the Statement of Purpose not being signed, we have concluded a moderate assurance opinion on the control design. All initial payments were made correctly and in a timely manner, all foster carers had a training and development plan in place, however due to the exceptions identified when completing testing in relation to overpayments, training plans and visit review logs, we have concluded moderate assurance for operational effectiveness.

Looking forward: supporting the Council’s journey from moderate to substantial assurance

Design	<ul style="list-style-type: none"> • Ensure the Statement of Purpose is signed by the Director of Children’s Social Care and the appropriate Cabinet Member
Effectiveness	<ul style="list-style-type: none"> • Ensure all training plans are TSD complaint and recorded on Mosaic • Ensure all visits have been carried out on at least a six weekly basis and if not discussed with the social worker and further training is organised as required • Ensure management reviews the overpayments that have been made and follow-up with the officer and further training arranged as necessary

5. SUMMARY OF RECOMMENDATIONS STATUS

Of the 328 high and medium recommendations relating to 2017-18 to 2020-21, that have fallen due as at the end of January 2021, we have confirmed with reference to evidence that 251 have been fully implemented or superseded, representing 77%. The chart shows the relative percentages for each of the four years.

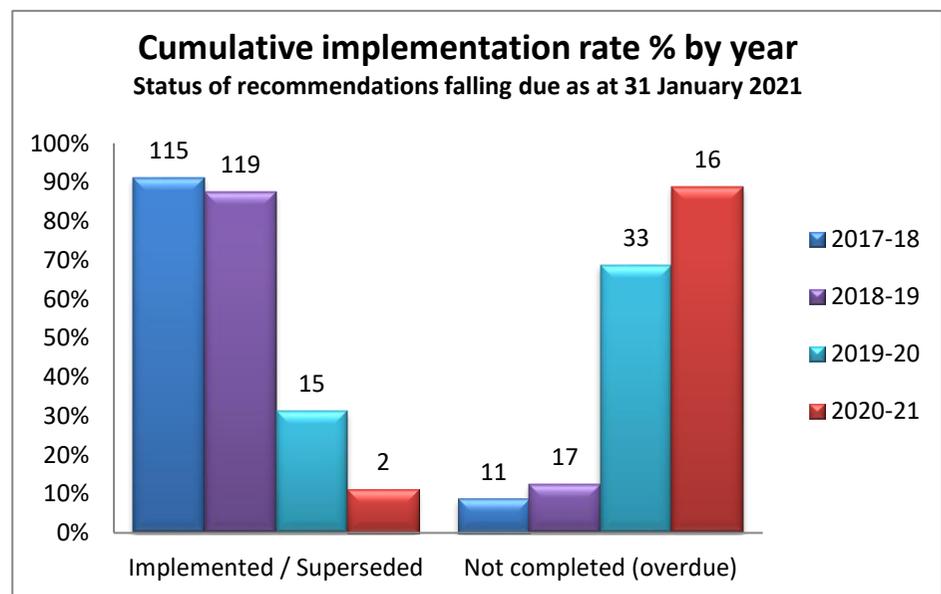
The implementation rate for previous recommendations has increased marginally from 76% to 77%. The implementation rate is low compared to previous years primarily due to the impact of Covid-19. We will keep this under review, to ensure the Council is focusing on the higher priority recommendations.

There were several audits for which an update was not provided by the date of reporting, and a number of other cases where evidence to support the implementation of recommendations has not been provided, which are indicated on the summary. The rate of implementation may be higher than 77% however without management responses we cannot confirm this. It is important that this information is received by 31 March 2021 so that this can be reflected fully in the annual report and head of internal audit opinion for 2021-21.

The implementation status of each internal audit is summarised in the table overleaf.

Please note:

- *The table does not include audits previously reported as completed.*
- *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

Audit Area	Total High & Medium recommendations due for implementation	Implemented		In progress at the follow up date		Awaiting update, revised date or evidence		% verified complete	Management Implementation dates
		H	M	H	M	H	M		
Chief Executive's Department									
2017-18 Land Charges	5	-	2	1	2	-	-	40%	April 2019 December 2019 Awaiting update
2018-19 Business Continuity Planning	7	-	2	-	3	-	2	40%	July 2019 October 2019 January 2021
2019-20 S106 Agreements	3	-	-	-	-	-	3	0%	January 2024 Awaiting evidence
2020-21 Building Control	3	-	3	-	-	-	3	Not due	June 2021
2020-21 Records Management	1	1	-	-	-	-	-	Not due	March 2021
2020-21 Community Infrastructure Levy	1	-	-	-	-	-	1	0%	December 2020 Awaiting update
Children's and Adults Department									
2018-19 Commissioning	3	-	1	-	2	-	-	33%	November 2019 February 2020 Awaiting update
2019-20 Mental Health Services	3	-	-	-	-	2	1	0%	September 2020 Awaiting update
2019-20 Community Equipment	1	-	1	-	-	-	-	100%	October 2020

Audit Area	Total High & Medium recommendations due for implementation	Implemented		In progress at the follow up date		Awaiting update, revised date or evidence		% verified complete	Management Implementation dates
		H	M	H	M	H	M		
2019-20 Mosaic (Learning Disabilities)	2	-	1	-	-	1	-	50%	September 2020 Awaiting update
2019-20 Appointeeships	3	-	-	-	3	-	-	0%	September 2020 Awaiting evidence
2020-21 Foster Carer Payments	4	-	-	-	-	-	4	0%	December 2020 Awaiting update
2020-21 Payments to Children and Families	3	-	-	-	-	1	2	0%	January 2021 Awaiting update
Environment and Leisure Department									
2019-20 Materials	3	-	-	-	3	-	-	0%	June 2020 April 2021
2019-20 Play Service	4	-	2	-	-	1	1	50%	November 2019 January 2021 Awaiting update
2018-19 Public Health - Health in all policies	3	-	1	-	2	-	-	33%	April 2020 Awaiting evidence
2019-20 Volunteer Management	5	-	-	-	2	-	3	0%	June 2020 January 2021 Awaiting update
2020-21 Trees Management	2	-	-	-	-	1	1	Not due	September 2020 December 2020
2020-21 Enforcement	3	-	-	-	2	-	1	0%	August 2020 January 2021 Awaiting update

Audit Area	Total High & Medium recommendations due for implementation	Implemented		In progress at the follow up date		Awaiting update, revised date or evidence		% verified complete	Management Implementation dates
		H	M	H	M	H	M		
2020-21 Parks	2	-	-	-	2	-	-	Not due	April 2021
Finance and Governance Department									
2019-20 Barrister's Framework	3	-	2	-	1	-	-	67%	December 2019 Awaiting evidence
2019-20 Data and Information Management	1	-	-	-	1	-	-	0%	October 2020 Awaiting update
2019-20 Direct Debit Payments	2	-	-	-	-	1	1	0%	April 2020 Awaiting update
2019-20 Home Ownership - Garages	3	1	-	-	1	-	1	33%	April 2020 January 2021 Awaiting update
2020-21 Records Management	1	-	-	-	-	1	-	Not due	March 2021
Housing and Modernisation Department									
2017-18 IT - Disaster Recovery	5	1	2	2	-	-	-	60%	April 2019 June 2019 October 2019 May 2020 July 2021
2017-18 IT - Network Security	8	1	3	1	3	-	-	50%	December 2017 October 2018 June 2019 September 2020 April 2021

Audit Area	Total High & Medium recommendations due for implementation	Implemented		In progress at the follow up date		Awaiting update, revised date or evidence		% verified complete	Management Implementation dates
		H	M	H	M	H	M		
2018-19 Housing Solutions - Applications and Allocations	3	-	1	-	2	-	-	33%	September 2019 January 2020 December 2020 Awaiting update
2018-19 Temporary Accommodation	8	2	3	1	3	-	-	63%	April 2019 June 2019 November 2020 February 2021
2019-20 Blue Badges	2	-	1	-	1	-	-	50%	April 2020 June 2021
2019-20 Homelessness	5	1	2	1	1	-	-	60%	May 2020 Awaiting evidence
2019-20 Shared ICT Service	1	-	-	-	-	-	1	Not due	February 2021
2020-21 Voids	2	1	1	-	-	-	-	100%	October 2020 January 2021
Council Wide Reviews									
2018-19 IR35	3	-	-	-	1	-	2	33%	January 2021 Awaiting update

RECOMMENDATIONS NOT YET IMPLEMENTED

The tables below show the latest position with regards to the recommendations not yet implemented, where this has been provided. It excludes recommendations that have not fallen due.

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
Chief Executive's Department		
2019-20 S106 agreements		
<p>1) The Exacom project is completed as soon as possible and monitoring functionalities are fully utilised and reports developed to support monitoring.</p> <p>2) The Southwark bespoke 'S106/CIL Officer Exacom Manual' is finalised and implemented as soon as possible.</p> <p>Medium</p>	<p>1) Planning Projects Manager December 2020 March 2021</p> <p>2) Planning Projects Manager January 2021 TBC</p>	<p>We were advised by the Planning Project manager that:</p> <p>1) This is currently ongoing - The Infrastructure Funding Statement (IFS) was reported on December 2020. The Public Facing Module (PFM) release data 2019-20 at the end of January 2021, 2018-19 at the end of February 2021 and 2016 to 2018 at the end of March 2021.</p> <p>2) A Manual is in the process of being completed.</p>
<p>1) The Uniform and Exacom connector and system bug issues are resolved as soon as possible.</p> <p>2) The Planning Division monitor and report on planning application validation and determination targets to ensure they are met as far as possible.</p> <p>3) Please refer to finding three recommendations below that refers to key standard data to be recorded to enable monitoring of non-financial obligations and metrics.</p> <p>4) Planning case officers and the S106 and CIL Team ensure that fully signed S106 agreements are uploaded and filed centrally on the 'DMS' document management system on signing of agreements.</p>	<p>1) Planning Executive Ongoing</p> <p>2) Development Officer Ongoing</p> <p>3) N/A</p> <p>4) Planning Projects Manager July 2020</p> <p>5) Planning Projects Manager June 2020</p>	<p>We were advised by the Planning Project manager that:</p> <p>1) This has been implemented and evidence provided</p> <p>2) Ongoing - Currently the LBS are at 88.4% on time with planning application determination</p> <p>3) Ongoing - Non-financial obligations is monitored through Variation of discharge of legal agreements (VLA)</p> <p>4) Ongoing - S106 available online and within Exacom</p> <p>5) Ongoing - This is monitored though submission of Commencement Notices and VLAs</p> <p>We are awaiting evidence for 2) - 5)</p>

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
<p>5) S106 agreement financial obligation demand notices are issued as soon as they are due.</p> <p>Medium</p>		
<p>1) The Planning Division agree on key information on financial and non- financial performance to be reported to senior management and Cabinet on a periodic basis to ensure there is oversight at executive level throughout the financial year.</p> <p>2) A mechanism for monitoring key milestones for S106 non-financial obligations is explored and implemented by the Planning Division.</p> <p>3) The Planning Enforcement Efficient Handling of Cases 'S106 Funds - Efficient Collection and Spending performance indicators are finalised and implemented as soon as possible.</p> <p>Medium</p>	<p>Planning Projects Manager</p> <p>December 2020</p> <p>March 2021</p>	<p>We were advised by the Planning Project manager that:</p> <p>1) Ongoing - Reported annually through IFS and through public access to the PFM. PFM to be made available end of March 2021 reporting from 2016 to present</p> <p>2) Ongoing - To arrange reporting system in Idox Uniform reporting on VLAs and through capturing the data in Exacom</p> <p>3) Ongoing - Enforcement to be managed case by case. Efficient spending controlled through release reports agreed by Planning Committee as well through monitoring the IFS and PFM</p>
<p>Children's and Adults department</p>		
<p>2019-20 Appointeeships</p>		
<p>1) The Client Finance Mosaic module should be finalised and training provided to staff as soon as possible.</p> <p>2) The Council's senior management should liaise with NatWest Bank UK in advancing the introduction of real time client bank accounts and the new system should be implemented by Client Finance as soon as possible.</p> <p>Medium</p>	<p>Service Development Manager</p> <p>July 2020</p> <p>TBC</p>	<p>We were advised by the Service manager that:</p> <p>1) The referrals workflow is now operational. The training needs are being identified but, all in, it has been fairly well received by social work teams and the Client Finance (Client Affairs) personnel.</p> <p>2) CAT continues to chase/push NatWest Bank for progress updates on the batch (46 deputyship cases) submitted in December following the wrong forms issues with the previous submission. Meanwhile, clarification has been requested from Corporate Banking on whether NatWest's upgrade to Bankline which includes functionalities requested by the Client Affairs</p>

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
		<p>Team will mean a more seamless transition to real time management of the bank accounts. Appointeeship cases will still need full processing for a transition from virtual to actual accounts.</p> <p>We are awaiting evidence for the above</p>
<p>1) Evidence of individual client account reconciliations and affordability checks should be saved and stored on the client file for audit trail and transparency.</p> <p>2) Client Finance in consultation with the Social Work Team should agree a standard approach for the production of client account statements if this is beneficial for budgeting and planning purposes.</p> <p>3) Client CMS pooled account reconciliations should be carried out on a monthly basis and in a timely manner for example within three weeks of the month end.</p> <p>Medium</p>	<p>1) Service Development Manager July 2020 TBC</p> <p>2) Service Development Manager July 2020 TBC</p> <p>3) Service Development Manager September 2020 TBC</p>	<p>We were advised by the Service manager that:</p> <p>1) The preparation of individual statements for saving in individual records is happening and the records show £2.6m in Inter Account Transfer generated from these records.</p> <p>2) The templates for individual client account statements have been devised/developed.</p> <p>3) The reconciliations of accounts is now happening with significantly reduced time lag. The lag is now about two months. The aim is to reduce the time lag further but there are practical limits on how small/short the time lag will be.</p> <p>We are awaiting evidence for the above</p>
<p>1) Client Finance review the 72 hour appointeeship referral processing target and consider its achievability to ensure it acts as a motivator to staff.</p> <p>2) The Social Work Team should ensure that the induction programme for new staff reiterate the procedure for submitting referrals to Client Finance and reminders should be issued to all staff periodically by the Social Work Team and Client Finance.</p> <p>3) Client payments should be approved in a timely manner for example within two days of preparation of the payment journal.</p> <p>4) A standard template for personal budgets is developed and used in requesting client expenditure payments to Client Finance.</p>	<p>1) Service Development Manager July 2020 TBC</p> <p>2) Service Development Manager July 2020 TBC</p> <p>3) Service Development Manager September 2020 TBC</p> <p>4) Service Development Manager July 2020 TBC</p>	<p>We were advised by the Service manager that:</p> <p>1) The 72 hour referral processing target is a good aspiration and working closer with the social work teams is making it more achievable.</p> <p>2) The Social Work Client Affairs Working Group is enabling better understanding of roles and process which in turn should lead to positive outcomes for service users. The group has met monthly since July 2020 with exception of September and December. Additionally, communications initiated in the group have enabled conversation between the Client Affairs Team and individual social workers and managers.</p> <p>3) Payments are processed by the centralised Financial Controls and Processing (FC&P) Team which carries out tasks for all council departments. When necessary, the Client Affairs Team will ask for</p>

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
<p>Medium</p>		<p>exceptional treatment for certain payments to get them speedily resolved. However, this cannot be applied to all payments.</p> <p>4) Budgets are not set. However, with the Mosaic referral workflow there is now a standard for all requests for payments.</p> <p>We are awaiting clarification and evidence on the above.</p>
<p>Environment and Leisure Department</p>		
<p>2019-20 Materials</p>		
<p>Where actions are raised in relation to social value, these should be included within the agreed actions and monitored by the Strategic Core Group.</p> <p>The council should seek to confirm the number of apprenticeship and work experience slots and compare these against an expected standard. Evidence should also be received detailing that staff are paid the London Living on a quarterly basis to ensure the contractor is meeting its requirements under the Fairer Future Procurement strategy.</p> <p>Medium</p>	<p>Divisional commercial manager</p> <p>March 2020</p> <p>April 2021</p>	<p>We were advised by the Divisional commercial manager that he Governance authority for Materials has shifted from Environment & Leisure to Housing & Modernisation as part of the terms and conditions built into the new Materials contract signed on the 9/10/2020. The contract will be managed by the SBS business service manager.</p> <p>TP have provided SBS with information regarding using the Construction Youth Trust as a potential partner for Social Value activity. This is being reviewed and a decision is yet to be taken as to whether this is the best pathway.</p> <p>There have been discussions that have taken place around SBS considering offering apprentices work placements in TP branches, with the SBS business service manager looking at integrating this into the Apprenticeship programme.</p> <p>Travis Perkins have been asked to supply information on their internal Apprenticeship</p> <p>The programme and how it is delivered to the next SCG is scheduled for April 2021.</p>
<p>An effective hand over exercise should be conducted where an individual leaves the council to ensure continuity. The hand over should be documented and</p>	<p>Divisional commercial manager</p> <p>Summer 2020</p> <p>TBC</p>	<p>We were advised by the Divisional commercial manager that there are processes in place to ensure that appropriate handovers occur and work in progress is ongoing in relation to documentation and process mapping in line with the new Governance structure.</p>

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
<p>state documents to which custody is being handed over.</p> <p>Prior to commencement of any works, the assigned contract manager and director should ensure that the contract and any SLAs are signed and confirm that a copy has been sent to the legal team.</p> <p>We also recommend more broadly that a central folder is established for the environment contracts, and a check undertaken to confirm that a signed contract is in place for other services being provided to the division.</p> <p>Medium</p>		<p>A new contract is in place with TP. This has been signed and a copy is with legal and available on request, this is stored in a designated directory within the Commercial Services Team.</p> <p>Copies of all new contracts and relevant supporting documentation such as Gateways and SLAs, falling under the Commercial Services Team's responsibility are kept in a designated directory within the Commercial Services Team.</p> <p>Certs 4 Cloud is not being used to manage contract standing data - it is being utilised mainly to issue payment certificates and match them to purchase orders. Instead, Pro Contract is used. This stores standing procurement data in relation to the pre-tender and tender award, as well as signed copies of final contracts.</p>
<p>An effective procurement exercise should be completed to ensure that there is a formalised, signed agreement in place with the provider at the time of expiration of the current contract.</p> <p>Medium</p>	<p>Divisional commercial manager</p> <p>10 June 2020</p> <p>TBC</p>	<p>We were advised by the Divisional commercial manager that a new 2 year contract running concurrently is in place from the 9/10/20. The responsibility for contract monitoring and compliance now resides with the SBS Business Service Manager within Housing and Modernisation.</p> <p>We are awaiting evidence to confirm this.</p>
<p>2019-20 Volunteer Management</p>		
<p>1) Trading Standards (a) issue guidance on the retention of receipts and officer visit logs (b) introduce a requirement for volunteers to sign as received for gift vouchers & provision of meal receipts, (c) introduce an organised filing system for operational expenses and (d) undertake periodic (quarterly) reconciliation and review of gift voucher stock and test purchase operational expenses.</p> <p>2) Include volunteer expense reimbursement rules in the council wide volunteer policy.</p> <p>3) Approve the Regulatory Services credit card and adopt the same payment mechanism for payments by Culture & Events volunteers</p>	<p>Head of Culture and Head of Regulatory Services</p> <p>End of June 2020</p> <p>January 2021</p>	<p>We were advised by the Head of Culture that no volunteers have been used in the service since 2019 due to Covid restrictions and services that usually use Volunteers are not running. There is not currently a date for recommencement of any of the services that use volunteers.</p>

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
<p>4) The Library & Heritage Service's expense claim procedure is finalised and documented for organisational reference and claims are paid as soon as possible.</p> <p>Medium</p>		
<p>1) Implement two user accounts for the Home Library Service volunteer - one for any privileged rights (if applicable) and the other a standard user account.</p> <p>2) Assign Library staff with unique user accounts as per their job roles (but no common credentials) for maintaining accountability.</p> <p>3) Implement strong password controls- to change passwords in 60-90 days.</p> <p>Medium</p>	<p>Head of Culture End of June 2020 TBC</p>	<p>Evidenced was provided by the Head of Culture to show recommendation 2 has been implemented.</p>
2019-20 Trees Management		
<p>1) Present the options appraisal report to the Cabinet at the earliest possible opportunity to determine the best approach for future tree services as the current arrangement is not operating effectively.</p> <p>2) The management should continue to monitor (through the ETRP update and interrogation of the backlog) to analyse the capacity and productivity of the In house team and develop thorough and achievable work plans taking into account any operational or health and safety issues that are met with on day to day basis. This should then be compared with the performance of private contractors currently working on the ETRP workstream to identify and propose any changes in the working patterns and the current practices.</p>	<p>Arboriculture and Tree Services Manager December 2020 January 2021 March 2021</p>	<p>We were advised by the Arboriculture and Tree Services Manager that the GW0 report which includes the options appraisal to Cabinet has been delayed until March 2021</p> <p>The new externalised tree maintenance tranches is to be issued as part of Southwark 2020 tree maintenance programme in order to manage works backlog.</p>

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
<p>1) Appropriate working papers are kept and monitored to ensure that the performance monitoring KPI's reported to the Project Board and senior management are appropriately data validated.</p> <p>2) The Service team performance should be monitored on the basis of the jobs allocated to them on a monthly basis rather than the jobs completed. Furthermore, management should add a column in the performance monitor spreadsheet of the jobs unprocessed during the month. All unprocessed jobs should then provide a reason for the delay in a separate spreadsheet which is reported to senior management during the weekly meetings.</p>	<p>Arboriculture and Tree Services Manager August 2020 TBC</p>	<p>Evidence has been provided by the Arboriculture and Tree Services Manager to demonstrate both recommendations have been incorporated.</p> <p>We are currently waiting on clarification on some of the points raised.</p>
Finance and Governance Department		
2019-20 Barristers' Framework		
<p>A specific level of poor performance should be determined to confirm when the barrister will be removed or no longer utilised in the specific lot. This can be extended to chambers if poor performance becomes persistent.</p> <p>Following the addition of a specific performance target, regular reporting to the steering groups should be completed of barristers that are approaching this limit.</p> <p>Medium</p>	<p>Specialist Lawyer (Contracts) December 2019 TBC</p>	<p>We were advised by Specialist Lawyer that the framework used by the council at the time of the original audit has now expired, and the council now uses a new Barrister framework operated by the London Borough Legal Alliance (LBLA).</p> <p>One of the benefits of using the LBLA barrister framework is that this is managed by an external third party (Kennedy Cater) who manages the performance management and financial checks on behalf of participants in the framework.</p> <p>We are awaiting evidence of the copy of the contract.</p>
Housing and Modernisation Department		
2017-18 IT Network Security		
<p>Network activity should be baselined and proactively monitored in order to identify unusual or suspicious activity. This monitoring should include, but not be</p>	<p>Enterprise Architect - IT Shared Services.</p>	<p>We were advised by the Enterprise Architect that this will not be fully completed until the DC migration in September 2021.</p>

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
<p>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>October 2017 May 2019 September 2020 September 2021</p>	<p>For more detailed monitoring and alerting there may be a need to purchase an appropriate fully compliant NIDS system. Which can fully baseline the network traffic and identify unusual or anomalous activity. Given the scale of the operation a solution similar to Darktrace may be appropriate.</p>
<p>2018-19 Temporary Accommodation</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>Overall - Manager, Housing Solutions Support - Procurement Officers, Placement Officers; Visiting officer, Resettlement officers, Reviews officers</p> <p>January 2019 July 2019 June 2020 TBC November 2020 February 2021</p>	<p>We were advised by the Head of Housing Solutions that:</p> <p>a) They are still waiting for a full roll out. This will be confirmed in February 2021.</p> <p>b) This has been implemented and evidenced.</p>

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
High		
<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 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</p>	<p>Business Support Manager</p> <p>January 2019</p> <p>July 2019</p> <p>October 2019</p> <p>June 2020</p> <p>TBC</p>	<p>We were advised by the Head of Housing Solutions that the setup of the teams is different following the restructure in 2019 which deleted the post of the Business support Manager. However, the following updates were provided:</p> <ul style="list-style-type: none"> a) Controls are in place in which reconciliation of daily registers is completed before payment approved. Random samples taken by the manager is also examined to check the process has been followed and where necessary this will be checked with the officer. This is part of the individual work plan. b) There is no longer a business support manager within the service. So checks are authorised by the Programme policy and Change manager or the Housing Supply manager. c) The Supply Manager will now review the payments and highlight any changes. d) All members of the Business support team are able to conduct the function of reconciliation. e) Standard templates are to be introduced. <p>We are awaiting evidence to confirm the above.</p>

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
<p>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 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</p> <p>March 2019</p> <p>July 2019</p> <p>October 2019</p> <p>June 2020</p> <p>November 2020</p> <p>Spring 2021</p>	<p>We were advised by the Head of Housing Solutions that the legal framework has been pushed back to Spring 2021 as the Legal team could not take on the work. The service is exploring the possibility to go outside of LBS legal services and use one of the approved solicitors.</p>
2019-20 Blue Badges and Freedom Passes		
<p>a) Where officers review documentation received by post, the case summary should confirm that this is the case where documentation is not scanned onto the system.</p> <p>b) Officers should be reminded to ensure all email correspondence and receipts are attached to</p>	<p>Accessible Transport Officer</p> <p>March 2020</p> <p>TBC</p>	<p>We were advised the Accessible Transport Officer that part a), b) and d) have been completed and evidenced.</p> <p>We were advised the Accessible Transport Officer that part c) has been raised. However, as an upgrade for Icasework is being produced, it was suggested that this should be considered and raised when the new upgraded programme is implemented.</p>

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
<p>iCasework. The process maps should be updated to remind officers to do this.</p> <p>c) As iCasework are not currently prepared to take action to resolve the system errors, a clear decision should be included within the case summary confirming whether an application has been approved or rejected. The council should consider escalating its concerns about the functionality of iCasework through its contract performance management arrangements.</p> <p>d) On a quarterly basis, a sample of applications should be checked by the accessible transport manager to ensure that the correct procedures are being followed.</p> <p>Medium</p>		<p>There is no definitive timeframe for the new upgrade currently.</p>
<p>2019-20 Housing Solutions - Homelessness</p>		
<p>Should the contracts continue past the 31 March 2020, housing solutions should ensure that key contract clauses identified in the finding are incorporated in the signed contract and that performance targets are set and agreed by both parties in the Shelter and Solace agreements.</p> <p>Medium</p>	<p>Head of Housing Solutions and Housing Solution Manager</p> <p>Review in January 2020</p> <p>TBC</p>	<p>We were advised by the Head of Housing Solutions that a contract is now in place however, this contract may terminate due to the 2021/2022 budget challenges that may result in the partnership contract arrangements for 2021/2022 being terminated.</p> <p>We are awaiting evidence to confirm this.</p>
<p>A structured approach to business continuity including the development of a business continuity plan is put in place;</p> <p>This may include for example:</p> <ul style="list-style-type: none"> a. Use of Housing Solutions past experience in participating in pilot schemes to lobby government for more government funding; and b. Coordinate with other local authorities in securing more sources of permanent funding from central government. 	<p>Housing Solution Manager</p> <p>January 2020</p> <p>TBC</p>	<p>We were advised by the Head of Housing Solutions that this has been completed, as evidenced during COVID19.</p> <p>We are awaiting evidence to confirm this.</p>

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
High		
2019-20 Shared ICT Services		
<p>R1 The SICTS should ensure that the Priority 0 and Priority 1 incidents are resolved within the SLA of 4 hours and achieve the target of 95%.</p> <p>R2 The OMB should also include the following discussions once the root cause and trend analysis on strategic and operational issues are performed. This should include but not limited to:</p> <ul style="list-style-type: none"> • Categorisation or bucketing of the issues based on root cause and trend analysis of the operational issues (for example; hardware failures, system dependency failures, new feature request, software bugs) • Considering business/strategic metrics in addition to operational health of the services to help to prioritise the issue resolution. 	<p>Managing Director of Shared ICT Service and Head of IT and Digital Services</p> <p>February 2021</p>	<p>We were advised this is reviewed at OMG on a monthly basis and the IAA has been updated with revised SLA's as part of the TOM which has been signed off at Joint Committee and Joint Management Board.</p> <p>We are awaiting evidence to confirm this.</p>
Medium		

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:

Greg. Rubins

Partner, Public Sector
0238 088 1892 (DDI)
Mobile: 07710 703441
greg.rubins@bdo.co.uk

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