

Notice of Meeting

AUDIT AND STANDARDS COMMITTEE

Wednesday, 20 July 2022 - 7:00 pm
Council Chamber, Town Hall, Barking

Members: Cllr Princess Bright (Chair); Cllr Rocky Gill (Deputy Chair); Cllr Dorothy Akwaboah, Cllr Josie Channer, Cllr Manzoor Hussain, Cllr Muazzam Sandhu and Cllr Adegboyega Oluwole

Independent Member (for audit matters only): Stephen Warren

By Invitation: Lisa Clampin, Suzi Wiseman, Satinder Jas and Ross Beard

Date of publication: 12 July 2022

Fiona Taylor
Acting Chief Executive

Contact Officer: Yusuf Olow
Tel. 020 8227 7919
E-mail: yusuf.olow@lbbd.gov.uk

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AGENDA

- 1. Apologies for Absence**
- 2. Declarations of Interest**
- 3. Minutes - To confirm as correct the minutes of the meetings held on 7 March 2022 (Pages 3 - 10)**
- 4. Accounts Audit Update - 2019/20 (Pages 11 - 12)**
- 5. Internal Audit Charter, Strategy and Plan for 2022/23 (Pages 13 - 43)**
- 6. Internal Audit Annual Report 2021/22 (Pages 45 - 73)**

7. **Counter Fraud Annual Report 2021/22 (Pages 75 - 80)**
8. **Information Governance Annual Report (Pages 81 - 108)**
9. **Standards Complaints update (Pages 109 - 111)**
10. **Work Programme 2022/23 (Pages 113 - 114)**
11. **Any other public items which the Chair decides are urgent**
12. **To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted**

Private Business

The public and press have a legal right to attend Council meetings such as the Audit and Standards Committee, except where business is confidential or certain other sensitive information is to be discussed. The list below shows why items are in the private part of the agenda, with reference to the relevant legislation (the relevant paragraph of Part 1 of Schedule 12A of the Local Government Act 1972 as amended). ***There are no such items at the time of preparing this agenda.***

13. **Any other confidential or exempt items which the Chair decides are urgent**

Our Vision for Barking and Dagenham

ONE BOROUGH; ONE COMMUNITY; NO-ONE LEFT BEHIND

Our Priorities

Participation and Engagement

- To collaboratively build the foundations, platforms and networks that enable greater participation by:
 - Building capacity in and with the social sector to improve cross-sector collaboration
 - Developing opportunities to meaningfully participate across the Borough to improve individual agency and social networks
 - Facilitating democratic participation to create a more engaged, trusted and responsive democracy
- To design relational practices into the Council's activity and to focus that activity on the root causes of poverty and deprivation by:
 - Embedding our participatory principles across the Council's activity
 - Focusing our participatory activity on some of the root causes of poverty

Prevention, Independence and Resilience

- Working together with partners to deliver improved outcomes for children, families and adults
- Providing safe, innovative, strength-based and sustainable practice in all preventative and statutory services
- Every child gets the best start in life
- All children can attend and achieve in inclusive, good quality local schools
- More young people are supported to achieve success in adulthood through higher, further education and access to employment
- More children and young people in care find permanent, safe and stable homes
- All care leavers can access a good, enhanced local offer that meets their health, education, housing and employment needs
- Young people and vulnerable adults are safeguarded in the context of their families, peers, schools and communities

- Our children, young people, and their communities' benefit from a whole systems approach to tackling the impact of knife crime
- Zero tolerance to domestic abuse drives local action that tackles underlying causes, challenges perpetrators and empowers survivors
- All residents with a disability can access from birth, transition to, and in adulthood support that is seamless, personalised and enables them to thrive and contribute to their communities. Families with children who have Special Educational Needs or Disabilities (SEND) can access a good local offer in their communities that enables them independence and to live their lives to the full
- Children, young people and adults can better access social, emotional and mental wellbeing support - including loneliness reduction - in their communities
- All vulnerable adults are supported to access good quality, sustainable care that enables safety, independence, choice and control
- All vulnerable older people can access timely, purposeful integrated care in their communities that helps keep them safe and independent for longer, and in their own homes
- Effective use of public health interventions to reduce health inequalities

Inclusive Growth

- Homes: For local people and other working Londoners
- Jobs: A thriving and inclusive local economy
- Places: Aspirational and resilient places
- Environment: Becoming the green capital of the capital

Well Run Organisation

- Delivers value for money for the taxpayer
- Employs capable and values-driven staff, demonstrating excellent people management
- Enables democratic participation, works relationally and is transparent
- Puts the customer at the heart of what it does
- Is equipped and has the capability to deliver its vision

MINUTES OF AUDIT AND STANDARDS COMMITTEE

Monday, 7 March 2022
(7:00 - 7:50 pm)

Present: Cllr Princess Bright (Chair), Cllr Adegboyega Oluwole (Deputy Chair), Cllr Dorothy Akwaboah and Cllr Mohammed Khan

Also Present: Stephen Warren

Apologies: Cllr Simon Bremner, Cllr Josie Channer and Cllr Irma Freeborn

34. Declarations of Interest

The Independent Advisor (IA) disclosed that he was engaged as a consultant to Public Sector Audit Appointments (PSAA) which appoints the Council's external auditor. The IA disclosed that he was advising on the financial evaluation on the forthcoming tender and the potential impact on the time that will be required as a result of changes in auditing and accounting standards requirements.

The IA assured the Committee that it did not affect Barking and Dagenham Council or the appointment of an external auditor. The Chair agreed that this was not a disqualifying interest and permitted IA to continue to participate in the meeting.

35. Minutes - To confirm as correct the minutes of the meeting held on 19 May 2021

The minutes of the meeting held on 19 May 2021 were confirmed as correct.

36. Minutes - To confirm as correct the minutes of the meeting held on 12 July 2021

The Committee requested that the following edits be made;

- The fifth paragraph of the minutes referred to 'Housing Benefit payments'. The Committee agreed that this be amended so that it refers to 'a Housing Benefit subsidy payment' which is a more accurate description.
- The sixth paragraph of the minutes referred to 'the statutory deadline for completion of the Council's audit.' The Committee noted that Regulation 10 of the Accounts and Audit Regulations 2015, does not establish a deadline for completion of the audit but stated that if the audit was not completed by a specified date, the Council should publish a statement that it is not able to publish the audited statement of accounts with the reasons given. The Committee agreed that the wording be changed to refer to 'the statutory target for completion of the Council's audit.'
- The Committee observed that the seventh paragraph referred to 'Housing Benefits Audit' and stated that 'the audit will be completed'. The work undertaken by the external auditor on the Council's housing benefits claim

was not an audit designed to give a true and fair view opinion but 'certification work'. The Committee agreed that the wording be changed to refer to 'housing benefits certification' and to state that 'the certification work will be completed.'

The minutes of the meeting held 12 July 2021 were confirmed as correct subject to the edits listed.

37. Minutes - To confirm as correct the minutes of the meeting held on 28 September 2021

The Committee requested the following edits;

- In the ninth paragraph of the minutes on 'Accounts Audit Update 2019/20' there was reference to 'audit related work.' This phrase had a particular meaning in the context of external audits which the Committee agreed was not appropriate in the context it was mentioned. The Committee agreed that the wording be amended so that it read 'work relating to providing documentation to support the financial statements.'
- The fifth paragraph of the minutes referred to 'the statutory deadline for completion of the Council's audit.' Regulation 10 of the Accounts and Audit Regulations 2015 does not establish a deadline for completion of the audit but rather provides that if the audit is not completed by a specified date, the Council should publish a statement that the Council is not able to publish the audited statement of accounts with reasons. The Committee agreed that the wording be amended to 'the statutory target for completion of the Council's audit.'
- The sixth paragraph of the minutes referred to 'Housing Benefits Audit' and states that quote 'the audit will be completed.' The work undertaken by the external auditor on the Council's housing benefits claim is not an audit designed to give a true and fair view opinion but 'certification work'. The Committee agreed that the wording be amended to read as quote 'housing benefits certification' and to state that 'the certification work will be completed.'
- The seventh paragraph of the Minutes refers to 'accounts for 2019-10'. This should instead refer to 'accounts for 2019-20'.

The minutes of the meeting held 28 September 2021 were confirmed as correct subject to the edits listed.

38. Minutes - To confirm as correct the minutes of the meeting held on 31 January 2022

The Committee requested the following edits;

- That the second paragraph on page eighteen of the minutes and the second and third paragraphs on page nineteen be amended to show that the Council had engaged Grant Thornton to undertake certification (as opposed to audit) work on claims and returns rather than BDO doing so and

the relationship is directly between the Council and Grant Thornton.

- The fourth paragraph on page eighteen could be wrongly construed as it states that 'BDO noted that Reside had different sectors that required differing accounting requirements. The Committee agreed that the wording be amended to read 'BDO noted that the Reside Group comprised different entities for which the accounting requirements differed'

The minutes of the meeting held 31 January 2022 were confirmed as correct subject to the edits listed.

39. Accounts Audit Update - 2019/20

BDO had provided an Interim Audit Completion Report, following the publication of the meeting papers, which was published as a supplementary agenda.

BDO highlighted that a key issue in the report related to the accounting for infrastructure assets. BDO drew members' attention to the Property, Plant and Equipment (PPE) section of the audit report which explained that there was an emerging issue in relation to accounting for infrastructure assets. The Chartered Institute of Public Finance and Accountancy's (CIPFA) local authority code of accounting practice (the Code) required that component accounting, where component parts of an asset were treated and valued differently owing to differing economic lives, must consider any replacement or upgrading of a component part during the overall asset's life.

Therefore, the value of the replaced component part must be derecognised from the overall value of the asset and replaced with the value of the replacement component part of the asset.

BDO explained that over time it had become an accepted norm in local government accounting whereby highway authorities do not account for infrastructure assets on a component basis. This was due to the difficulty of obtaining relevant details relating to the life of an infrastructure asset such as a road. Instead, assets would often be brought to the balance sheet at cost and, where components were replaced or upgraded, the new component's value would be added to the balance sheet without the value of the replaced component being derecognised.

This results in the gross book value of the entire asset increasing and the accumulated depreciation of the asset also increases over time, with no de-recognition, which could result in a material misstatement of the gross book value and the associated accumulated depreciation over time. Therefore, in these circumstances, the note in the balance sheet on PPE could have a material disclosure misstatement within it.

BDO further went on to explain that, where the replacement component was of similar value to the original component and had a similar economic life, it was possible that the net book value, of the assets in question would not be misstated. However, where the replaced component was of a differing value or had a differing useful economic life, this could create a mismatch between the gross book value and the accumulated depreciation value which, in turn, could result in a material

misstatement of the net book value.

However, the potential level of misstatement of gross book value, accumulated depreciation and net book value was difficult to quantify as sufficiently detailed records did not likely exist. BDO stressed that this issue was not unique to Barking and Dagenham Council but that it was understood that the Council were not in a dissimilar position to that reported elsewhere.

BDO explained that this had recently been drawn attention to in light of the Financial Reporting Council's (FRC) sanction of a public sector audit firm for not properly considering the accounting for components of assets within its audit strategy. This has led to auditors reviewing their approaches in this area and whether auditors were doing what was required under the accounting framework. Infrastructure assets was one area where local authorities may not be complying with the Code and auditors may not have been highlighting this previously.

Barking and Dagenham Council's infrastructure assets had a net book value of circa £100 million and the materiality level was circa £11 million and BDO cautioned that this could be a material issue for the Council.

BDO participated in the Local Auditors' Advisory Group (LAAG) meeting, on 8th February 2022, which consisted of public sector auditors and the National Audit Office (NAO) to discuss the problem for audits resulting from this apparent widespread non-compliance with the Code. It was agreed that the ruling was a potential problem for audits. A paper on the issue was considered at the Local Government Technical Network (LGTN) on 24th February, which included CIPFA. It was agreed by all parties that, until these issues were resolved, auditors would put their opinions on hold regardless of the year the audit related to. Therefore, no opinions would be signed off in cases where there are material infrastructure assets on the balance sheet until an appropriate response to the matter has been determined.

A further meeting of the LGTN was due to take place on 10th March 2022 to discuss how to address the issue and BDO would attend. Whilst it was not possible to determine what the meeting outcome would be BDO indicated three possible options were;

- Hold opinions open until sufficient work was undertaken to rectify the deficit in knowledge around record keeping in relation to infrastructure assets, so that appropriate de-recognition and componentisation adjustments could be made retrospectively;
- Apply a qualification to the audit opinion which could be a 'limitation of scope' or a 'disclaimer'; or
- CIPFA/LASAAC agrees to amend or disapply certain parts of the Code of Practice on Local Authority Accounting in the United Kingdom.

BDO explained that other options may be considered and that the three options listed came with drawbacks.

In response to questioning, BDO said that, where it was agreed at the next meeting of the LGTN that qualifications be given, it was likely that auditors would approach the issue in the same manner and thus it would not be the case that

some auditors would adopt 'limitation of scope' whilst others adopted the 'disclaimer' approach.

BDO then presented the Interim Audit Completion Report. BDO said that there had not been any significant changes to the initial audit plan that was initially provided to the Committee nor had any restrictions been placed on BDO's work. BDO also had no exceptions to report on economy, efficiency or effectiveness.

There had been an increase in the materiality level adopted for the audit than was recorded in the audit plan, and this was due to an increase in finance expenditure. Three material errors were discovered in relation to;

- **Buildings and land-** material errors were still being found as part of BDO's PPE work. Although the number of errors were less than previous years, further work was needed by the Council to address the occurrence of errors within the valuation of buildings and land;
- **Reversal of recharges** – the methods and source data used to determine recharges was out of date. In response to issues raised during the audit, the Council had undertaken a further review of the recharges applied to the draft financial statements and identified that they should have been £10.5 million not £35 million of recharges. Circa £25 million should not have been recharged and this was corrected; and
- **Reclassification of a Pension Fund Balance-** There was a reclassification error of £10.7m balance with the Pension Fund from cash and cash equivalents to short term investments due to the amount recognised not meeting the definition for cash and cash equivalents.

BDO said that there had been improvements in cooperation during the audit process, compared to previous audits and working papers produced by council officers also showed improvement. However, there was, again, a significant delay in the Council providing the group accounts for audit.

BDO also noted that, in relation to the risk scope, this was wider than would be usual in an audit of a London Borough and was a result of the large volume of issues identified in the previous year's audit and thus more testing was required to address the higher levels of audit risk. BDO also drew the Committee's attention to the schedule of unadjusted audit differences and their effect on the Council's income statement and balance sheet, advising that management expected to correct for all unadjusted error where they have not been extrapolated upon. At this stage of the audit, the balance sheet impact of misstatements identified to date was reaching the level at which it would be regarded as cumulatively material and would prevent an unqualified opinion from being issued.

BDO cautioned that as their work was still ongoing and the outcome was subject to change. The outcome would be provided in the final audit completion report and BDO would highlight any changes from the Interim Report.

In response to questioning, BDO clarified that they audited the Council's pension fund, however that audit was treated separately and are the Council's accounts and the Pension Fund accounts are signed off by different persons.

The Chief Financial Officer (CFO) in response to questioning, noted that there had been historic issues in relation to impairment, bad debt provision and appeal provisions. However, work had been undertaken to improve provisions and collection rates to improve the accuracy of figures. This work was being undertaken with the Council's Revenue and Benefits Section and an agreed plan of action was being drawn up.

Following questioning from the IA, BDO elaborated on significant deficiencies in control in respect of grants received and securing the completeness and accuracy of PPE. These deficiencies had also been reported in the 2018/2019 audit and, although there had been improvements since, deficiencies remained. In relation to PPE work was still ongoing, and the outcome would be reported in the final Audit completion report.

BDO acknowledged that, considering the present economic situation and the impact of Covid-19, that the use of historical data would not be entirely appropriate adding that one of the issues they would assess was how the Council would factor in the effects of the economic situation and Covid-19 into its future calculations.

The CFO indicated that business rates and council tax income had remained constant during the pandemic and that the collection of both had been brought in house having previously been contracted out.

The Committee noted the interim report and looked forward to receiving the final report in April 2022.

40. Risk Management Update

The Head of Assurance (HoA) updated the Committee. It is the responsibility of all managers to manage risks within their remit. The HoA explained that he provided support and advice to managers in risk management but is not responsible management of risks themselves. Each risk owner had undertaken an assessment of their area, and this was discussed at a corporate level to ensure regular monitoring.

There were fourteen risks on the risk register at the last review and this remains the case at this review. One risk, relating to data centre failure, had been removed whilst another risk, relating to cybersecurity compromise had been added.

The data centre failure risk was removed because the Council had improved its IT environment and the Council's core infrastructure was cloud hosted. The HoA stressed that the risk had not been completely eliminated and remained under review, however it was no longer a core risk.

In relation to cybersecurity, the HoA noted that three local authorities had been affected by high profile cybersecurity incidents which affected service provision, data loss or compromise and imposed substantial financial costs.

The Committee noted the update.

41. Standards Complaints update

The Head of Law (HoL) updated the Committee and drew the Committee's attention to the status, outcomes of actions that had been taken.

The Committee noted the report.

42. Work Programme 2022-2023

The Committee noted the work programme.

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AUDIT AND STANDARDS COMMITTEE**20 July 2022**

Title: Accounts Audit Update - 2019/20	
Report of the Chief Financial Officer	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Yusuf Olow, Senior Governance Officer	Contact Details: E-mail: Yusuf.Olow@lbbd.gov.uk
Accountable Director: Philip Gregory, Chief Financial Officer (Section 151 Officer)	
Accountable Strategic Leadership Director: Philip Gregory, Chief Financial Officer (Section 151 Officer)	
Summary	
This report is to note an update regarding the external audit of the Council's Statement of Accounts 2019/20 as well as these of the subsidiaries.	
Recommendation(s)	
The Audit and Standards Committee is recommended to note the contents of this report.	
Reason(s)	
It is a statutory obligation for the Council's Statement of Accounts to be produced and audited, and that the Statement of Accounts and the Annual Governance Statement must be approved by a Committee of the Council	

1. Introduction and Background

- 1.1 The external audit of the Council's Statement of Accounts 2019/20 has been subject to numerous delays. At the last meeting of the Committee in March 2022, a draft Audit and Completion report was provided. However the Committee was informed that that it would be subject to change. Further discussions between BDO and the Council have taken place. Unfortunately there remains outstanding issues particularly in relation to infrastructure. Therefore BDO are unable to provide a finalised version of the Audit Report.
- 1.2 A verbal update will be provided at this meeting to expand on the issues that are outstanding.

2. Financial Implications

Implications completed by: Thomas Mulloy, Chief Accountant

- 2.1 Other than the audit fees previously mentioned in the Audit Plan, there are no financial implications arising from the report.

3. Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Lawyer

- 3.1 The Chief Financial Officer has a statutory duty, under Section 151 of the Local Government Act 1972, to ensure that there are proper arrangements in place to administer the Council's financial affairs. An essential component of sound administration is a sound audit function.
- 3.2 The Local Audit and Accountability Act 2014, established a new audit regime. Local Authorities must appoint a local auditor which in carrying out its' role must be satisfied that the authority has:
- made proper arrangements for securing economy, efficiency and effectiveness in its use of resources;
 - in its accounts comply with the requirements of the enactments that apply to them;
 - observed proper practices in the preparation of the statement of accounts and that the statement presents a true and fair view.
- 3.3 This is supported by the Code of Audit Practice, published by the NAO, which requires auditors to 'take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor's judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body's arrangements.'

Public Background Papers Used in the Preparation of the Report: None

AUDIT & STANDARDS COMMITTEE

20 July 2022

Title: Internal Audit Charter, Strategy and Plan for 2022/23	
Open Report	For Discussion & Agreement
Wards Affected: None	Key Decision: No
Report Author: Christopher Martin, Head of Assurance	Contact Details: Tel: 07870 278188 E-mail: Christopher.Martin@lbbd.gov.uk
Accountable Director: Philip Gregory, Chief Financial Officer	
Accountable Strategic Leadership Director: Fiona Taylor, Chief Executive	
Summary:	
<p>The Internal Audit Charter defines the purpose, activity and responsibility of Internal Audit activity and is reviewed and presented annually for approval. It has been updated by the Head of Assurance and contains amendments as detailed below.</p> <p>The Internal Audit Strategy for 2022/23 onwards details how the Internal Audit service will be delivered and is reviewed and presented annually for approval. It has been updated by the Head of Assurance to reflect current practice, which has been developed throughout the year to further improve the delivery of the Internal Audit service.</p> <p>The Internal Audit Plan 2022/23 has been developed in line with the Charter and Strategy. It has been fully funded to enable production of an effective annual Internal Audit opinion.</p>	
Recommendations:	
<p>The Audit and Standards Committee is asked to:</p> <ul style="list-style-type: none"> (i) Approve the draft Internal Audit Charter. (ii) Approve the draft Internal Audit Strategy 2022/23 (iii) Approve the draft Internal Audit Plan 2022/23. 	

1 Internal Audit Charter (“the Charter”)

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require the purpose, authority and responsibility of the Internal Audit activity to be formally defined in an Internal Audit Charter. The PSIAS require periodic review of the Charter by the Chief Audit Executive and to be presented to senior management and the board for approval.
- 1.2 The Charter is reviewed at least annually by the Head of Assurance and presented for approval. The Charter was last presented to the Audit and Standards Committee in May 2021.

- 1.3 The Charter has been updated by the Head of Assurance to ensure compliance with the Public Sector Internal Audit Standards and reflect current reporting lines. Changes have also been made to reflect current operational arrangements whereby the Head of Assurance again now reports to the CFO & S151 Officer.
- 1.4 The Internal Audit Charter is set out at Appendix 1 of this report and is presented for approval.

2 Internal Audit Strategy (“the Strategy”) 2022/23

- 2.1 The Strategy details how the Internal Audit service will be delivered, in line with the Charter and includes:
- resources;
 - approach to preparing and delivering the internal audit plan;
 - quality assurance;
 - reporting;
 - follow-up;
 - annual opinion; and
 - performance monitoring.
- 2.2 It is presented at least annually for approval. The Strategy was last presented to the Audit and Standards Committee in May 2021.
- 2.3 The Strategy has been updated by the Head of Assurance to reflect changes in practice moving forward as well as further clarity on the power to summons Heads of Service to the Assurance Group and the Audit and Standards Committee where satisfactory progress in implementing recommendations has not been made.
- 2.4 As noted at Section 3 of the Strategy, the Internal Audit service is provided by a small in-house team supported by externally provided resources. The in-house team currently consists of the Head of Assurance whose remit amongst other related services includes Internal Audit. There is also a fully qualified Internal Audit Manager and a fully qualified Principal Auditor who has recently achieved Chartered IIA status.
- 2.5 It is proposed that the existing arrangement to co-source external support from both Mazars and PwC via the appropriate framework contacts is continued into 2022/23.
- 2.6 As noted at section 4 of the Strategy, all London Borough of Barking and Dagenham’s activities (including those delivered by external providers) and legal entities are within the scope of Internal Audit. As a result, the Internal Audit plan includes risk-based audit activity – focusing on Council’s risks and not those of the entities which may be aligned or may differ – in the Council’s related entities. The Internal Audit activity will not cover all activities of the related entities, although they may request this activity at a cost. Discussions with the traded entities have taken place to this effect.
- 2.7 The Strategy is set out at Appendix 2 and is presented for approval.

3 Internal Audit Plan (“the Plan”) 2022/23

- 3.1 The Plan has been developed in line with the Charter and Strategy. It details the planned use of Internal Audit resources for 2022/23, including draft audit titles and proposed audit objectives. It is compiled at least annually prior to the commencement of each financial year and reviewed periodically to reflect any relevant changes.
- 3.2 The plan includes the number of days allocated to each project for transparency, clarity and ease of planning. A number of days within the plan have been held back as contingency to reflect the fact that some risks and challenges present themselves during the year and require an immediate response.
- 3.3 The Plan is set out at Appendix 3 and is presented for approval.

4 Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Solicitor

- 4.1 The Accounts and Audit (England) Regulations 2015 section require that: a relevant authority must ensure that it has a sound system of internal control which—facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk.
- 4.2 Furthermore the Director of Finance has a statutory duty, under Section 151 of the Local Government Act 1972 and Section 73 of the Local Government Act 1985, to ensure that there are proper arrangements in place to administer the Council's financial affairs.
- 4.3 The Local Government Act 1972 provides the Council with the ability to investigate and prosecute offences committed against it. We will enhance our provision further by making best use of existing legislation, for example the Proceeds of Crime Act 2002, to ensure that funds are recovered, where possible by the Council.

5 Financial Implications

Implications completed by: Katherine Heffernan, Group Manager – Service Finance

- 5.1 Internal Audit is fully funded as part of the Council's Finance Service. It is a key contribution to the overall management and control of the Council and its stewardship of public money. The recommendations and improvements as a result of its findings will be implemented from within existing resources. There are no further financial implications arising from this report .

6 Other Implications

- 6.1 **Risk Management** – The internal audit plan is risk-based and therefore supports effective risk management across the Council.
- 6.2 **Contractual issues** – As detailed above, delivery of the internal audit service will utilise two contracts, one with PwC and one with Mazars. Contracts for both

organisations are in place following procurement processes undertaken by other London Boroughs.

6.3 **Staffing issues** – There is no impact on current staff.

6.4 **Corporate policy and customer impact** – The internal audit service is aligned to corporate objectives. No impact on race, gender, disability, sexuality, faith, age or community cohesion.

6.5 **No other implications to report**

7 **Public Background Papers Used in the Preparation of the Report:** None

8 **List of appendices:**

Appendix 1: Internal Audit Charter

Appendix 2: Internal Audit Strategy 2022/23

Appendix 3: Internal Audit Plan 2022/23

Appendix 1: Internal Audit Charter

Contents:

1. Introduction
2. Purpose
3. Scope
4. Authority
5. Responsibility
6. Independence
7. Professional competence and due care
8. Reporting and monitoring

1. Introduction

Regulation 5 (1) of the Accounts and Audit Regulations 2015 requires that; '*A relevant body must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector Internal audit standards and guidance*'.

This Internal Audit Charter provides the framework for the conduct of the Internal Audit function in the London Borough of Barking and Dagenham and has been approved by the Audit and Standards Committee. It has been created with the objective of formally establishing the purpose, authority and responsibilities of the Internal Audit function.

It is reviewed, updated as required and reported to the Audit and Standards Committee for consideration at least annually.

2. Purpose

Internal Audit is an independent, objective assurance and consulting activity designed to add value to and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

Internal Audit is defined by the Institute of Internal Auditors' International Professional Practices Framework as "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes".

In a local authority, Internal Audit provides independent and objective assurance to the organisation, its Members, the Senior Leadership Team and in particular the Finance Director to help them discharge their responsibilities under s151 of the Local Government Act 1972, relating to the proper administration of the Council's financial affairs.

Within an organisation, there are three lines of defence in place to effect controls. The first line of defence is the day-to-day operational controls, the second is the management controls (budget & performance monitoring, trend analysis) and the third is independent inspection,

both internal & external. Internal audit forms part of the third line of defence and provides assurance on the effectiveness of governance arrangements, risk management and internal controls, and this includes an assessment of the effectiveness of the first two lines of defence. Internal Audit can place reliance on assurances provided by third parties, although depending on the source, this may require some independent validation.

3. Scope

All London Borough of Barking and Dagenham's activities (including activities delivered by external providers and wholly/partially owned companies) and legal entities are within the scope of Internal Audit. Internal Audit determines what areas within its scope should be included within the annual audit plan by adopting an independent risk-based approach. Internal Audit does not necessarily cover all potential scope areas every year. The audit programme includes obtaining an understanding of the processes and systems under audit, evaluating their adequacy, and testing the operating effectiveness of key controls. Internal Audit can also, where appropriate, undertake special investigations and consulting engagements at the request of the Audit and Standards Committee and the Strategic Leadership Team through the Corporate Assurance Group.

Notwithstanding Internal Audit's responsibilities to be alert to indications of the existence of fraud and weaknesses in internal control which would permit fraud to occur, the Internal Audit activity will not undertake specific fraud-related work. Fraud-related work is carried out by the Counter Fraud team.

Internal Audit will coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimise duplication of efforts.

4. Authority

The Internal Audit function of the London Borough of Barking and Dagenham derives its authority from the Financial Regulations and Rules which form part of the Council's constitution. The Head of Assurance is authorised to have full and complete access to any of the organisation's records, properties and personnel. The Head of Assurance is also authorised to designate members of the audit staff to have such full and complete access in the discharging of their responsibilities and may engage experts to perform certain engagements which will be communicated to management. Internal Audit will ensure confidentiality is maintained over all information and records obtained in the course of carrying out audit activities. All records, documentation and information accessed in the course of undertaking internal audit activities shall be used solely for that purpose. All Internal Audit staff are responsible and accountable for maintaining the confidentiality of the information they receive in the course of their work.

5. Responsibility

The Head of Assurance is responsible for preparing the annual audit plan in consultation with the Audit and Standards Committee and the Corporate Assurance Group, submitting the audit plan, Internal Audit budget, and resource plan for review and approval by the Audit and Standards Committee, implementing the approved audit plan, and issuing periodic audit reports on a timely basis to the Audit and Standards Committee and the Corporate Assurance Group.

The Head of Assurance is responsible for ensuring that the Internal Audit function has the skills and experience commensurate with the risks of the organisation. The Audit and Standards Committee should make appropriate inquiries of management and the Head of Assurance to determine whether there are any inappropriate scope or resource limitations.

Internal Audit provides individual assurance ratings and an annual overall opinion of the internal control environment based on the results of audit work conducted. This annual opinion is reported to the Audit and Standards Committee and the Corporate Assurance Group and forms an important part of the formation of the Annual Governance Statement.

It is the responsibility of management to identify, understand and manage risks effectively, including taking appropriate and timely action in response to audit findings. It is also management's responsibility to maintain a sound system of internal control and improvement of the same. The existence of an Internal Audit function, therefore, does not in any way relieve them of this responsibility.

Management is responsible for fraud prevention and detection. As Internal Audit performs its work programs, it will be observant of manifestations of the existence of fraud and weaknesses in internal control which would permit fraud to occur or would impede its detection.

In some instances, Internal Audit may rely on assurances provided by other providers of assurance but this will be dependent on the level of associated risk and some degree of independent verification may be required.

6. Independence

Internal Audit staff will remain independent of the business and they shall report to the Head of Assurance who, in turn, shall report functionally to the Audit and Standards Committee and administratively to the CFO & S151 Officer.

The Head of Assurance has full and unrestricted access to the following:

- The Chief Executive;
- The Chief Financial Officer (S151 Officer)
- The Chair of the Audit & Standards Committee
- The Monitoring Officer
- All members of the Senior Leadership Team

All staff (including agency and contract staff) are required to make annual declarations of any potential conflicts of interest and adhere to confidentiality requirements. As far as resources permit, auditor rotation will be implemented to ensure auditors' objectivity is not impaired.

Internal Audit must ensure that it is not involved in the design, installation and operation of controls so as to compromise its independence and objectivity. Internal Audit will however offer advice on the design of new internal controls in accordance with best practice. Where Internal Audit do provide consultancy services, any audit staff involved in this consulting activity will not be involved in the audit of that area for at least 12 months.

Internal Audit must remain independent from the activities that it audits to enable auditors to make impartial and effective professional judgements and recommendations. The Head of Assurance has strategic responsibility for Risk Management, Insurance and Counter Fraud and since this role may involve establishing and maintaining the control environment, these functions will be audited independently when necessary by one of the co-sourced providers. The co-sourced providers will report directly to the Chief Financial Officer in these instances with support from the Council's Internal Audit Manager who does not have any other operational responsibility. Internal Auditors have no other operational responsibilities towards the systems and functions audited.

Internal Audit is involved in the determination of its priorities in consultation with those charged with governance. The Head of Assurance has the freedom to report without fear or favour to all Members and officers, and particularly to those charged with governance.

Accountability for the response to the advice and recommendations of Internal Audit lies with management. Managers must either accept and implement the advice and recommendations, or formally reject them accepting responsibility and accountability for doing so.

7. Professional competence and due care

The Internal Audit function will adhere to / comply with the following:

- Institute of Internal Auditor's International Code of Ethics
- The Seven Principles of Public Life ('Nolan Principles')
- UK Public Sector Internal Audit Standards
- All Council policies and procedures
- All legislation

All audit work is subject to in house quality control procedures whereby each audit review is subject to senior peer review. The audit service will be subject to an annual self-assessment to assess its compliance with the UK Public Sector Internal Audit Standards and an external review and assessment at least once every 5 years by a suitably qualified, independent assessor.

The Head of Assurance is required to hold a relevant professional qualification (CCAB or CMIIA) and be suitably experienced. All staff are required to maintain a programme of Continuous Professional development (CPD) to ensure auditors maintain and enhance their knowledge, skills and audit competencies.

8. Reporting and monitoring

At the end of each audit, the Head of Assurance or designee will prepare a written report and distribute it as appropriate. Internal Audit will be responsible for appropriate follow-up of significant audit findings and validation of agreed action plans. All significant findings will remain open file until cleared by Internal Audit or the Audit and Standards Committee.

The Audit and Standards Committee will be updated regularly on the work of Internal Audit through periodic and annual reports. The Head of Assurance shall prepare reports of audit activities with significant findings along with any relevant agreed action plans and provide periodic information on the status of the annual audit plan.

Periodically, the Head of Assurance may meet with the Chair of the Audit and Standards Committee in private to discuss Internal Audit matters.

The performance of Internal Audit will be monitored through the implementation of a Quality Assurance and Improvement Programme. The results of external and internal assessments will be reported upon completion to the Assurance Group and the Audit and Standards Committee.

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Appendix 2: Internal Audit Strategy 2022/23

Contents:

1. Introduction
2. Objectives
3. Resources
4. Approach to preparing the Internal Audit plan
5. Approach to delivering the Internal Audit plan
6. Quality assurance
7. Reporting, including rating definitions
8. Annual opinion
9. Follow up of findings and agreed action plans
10. Internal Audit performance monitoring

1. Introduction

The Internal Audit service will be delivered in accordance with the Internal Audit Charter.

The work of Internal Audit is structured through an approved Internal Audit Plan. This is compiled at least annually prior to the commencement of each financial year and reviewed periodically to reflect any relevant changes.

The Internal Audit plan is driven by the Council's organisational objectives and priorities, and the risks that may prevent the Council from meeting those priorities.

2. Objectives

Internal Audit will provide independent and objective assurance to the organisation, its Members, senior management and in particular to the CFO to support them in discharging their responsibilities under S151 of the Local Government Act 1972, relating to the proper administration of the Council's financial affairs.

It is the Council's intention to provide a best practice, cost efficient Internal Audit service which adds value to the organisations it serves.

The Internal Audit service is an assurance function that primarily provides an independent and objective opinion on the degree to which the internal control environment supports and promotes the achievement of the Council's objectives.

Under the direction of a suitably qualified and experienced Head of Assurance, Internal Audit will:

- Provide management and Members with an independent, objective assurance and consulting activity designed to add value and improve the Council's operations.
- Assist the Audit Committees to reinforce the importance of effective corporate governance and ensure internal control improvements are delivered;
- Drive organisational change to improve processes and service performance;
- Work with other internal stakeholders and customers to review and recommend improvements to internal control and governance arrangements in accordance with

- regulatory and statutory requirements;
- Work closely with other assurance providers to share information and provide a value for money assurance service and;
- Participate in local and national bodies and working groups to influence agendas and developments within the profession.

Internal Audit will ensure that it is not involved in the design, installation and operation of controls so as to compromise its independence and objectivity. However, Internal Audit will offer advice on the design of new internal controls in accordance with best practice.

3. Resources

The Internal Audit service is provided by a small in-house team, focusing on stakeholder management, solid ongoing working relationships and providing detailed local knowledge. The in-house team is supported by externally provided resources to enable the Council to commission the volumes and specialist skills as required.

In-house skills are refreshed, in line with best practice through such bodies as CIPFA's Better Governance Forum and the London Audit Group. Appropriate training is identified through the Council's appraisal process and Continued Professional Development of qualified staff.

4. Approach to preparing the Internal Audit plan

The work of Internal Audit is structured through an approved Internal Audit Plan. This is compiled at least annually prior to the commencement of each financial year and reviewed periodically to reflect any relevant changes.

All London Borough of Barking and Dagenham's activities (including activities delivered by external providers) and legal entities are within the scope of Internal Audit. As a result, the Internal Audit plan includes risk-based audit activity – focusing on Council's risks and not those of the entities which may be aligned or may differ – in the Council's related entities. The Internal Audit activity will not cover all activities of the related entities, although the entities may request this activity at a cost to the entity.

Internal Audit determines what areas within its scope should be included within the annual audit plan by adopting an independent risk-based approach. Internal Audit does not necessarily cover all potential scope areas every year.

The Internal Audit plan is driven by the Council's organisational objectives and priorities, and the risks that may prevent the Council from meeting those priorities. This has been achieved through:

- Understanding the Council's vision for the borough and priorities.
- Identifying the auditable areas within the Council aligned to the 'Service Delivery Blocks'.
- Engaging with management throughout the Council to understand key risks, areas of significant change, assurance work to date and other assurance providers.

- Engaging with external audit to consult on audit plans and to seek opportunities for co-operation in the conduct of audit work.
- Understanding emerging issues and potential audit areas from sector and assurance knowledge and understanding.

5. Approach to delivering the Internal Audit plan

The Internal Audit plan will be delivered in line with the Internal Audit Manual. This includes the following key steps:

- 1) Preparation for an audit, including research, a planning / scoping meeting and production of a written Terms of Reference.
- 2) Fieldwork, in line with the stated audit approach in the Terms of Reference. During fieldwork, the auditors will keep the key audit contact updated with progress and potential issues arising. Fieldwork will conclude with an exit meeting confirming all issues arising and discussion of action plans to address.
- 3) Formal reporting of the audit objective and scope, issues identified and agreed action plans. The reporting process will include issue of a draft to confirm factual accuracy and agreement of actions plans prior to finalising.

Terms of Reference and Final Internal Audit reports will include the relevant Strategic Director.

6. Quality assurance

Quality will be assured by adherence to professional auditing standards and through supervision by senior audit staff. The Internal Audit service is bound by the following standards:

- Institute of Internal Auditor's International Code of Ethics;
- The relevant Code of Ethics for the professional bodies that members of the service are members of, such as the Chartered Institute of Internal Auditors and the accountancy professions that constitute the CCAB;
- UK Public Sector Internal Audit Standards (PSIAS);
- All Council Policies and Procedures; and
- All relevant legislation.

In accordance with the Accounts & Audit Regulations 2015, an annual review of Internal Audit against the PSIAS will be undertaken. This will be conducted externally at least once every five years in line with PSIAS requirements. Results of reviews will be reported to the Audit and Standards Committee. The Head of Assurance may also carry out the external reviews of other London Borough Internal Audit services as part of reciprocal arrangements in place.

7. Reporting, including rating definitions

At the end of each audit, the Head of Assurance or designee will prepare a written report detailing the audit objective and scope, findings and agreed action plans. Each audit finding will be rated critical, high, medium or low risk in line with the following risk rating definitions:

<p>Critical ●●</p>	<p>Immediate and significant action required. A finding that could cause:</p> <ul style="list-style-type: none"> • Life threatening or multiple serious injuries or prolonged work place stress. Severe impact on morale & service performance (e.g. mass strike actions); or • Critical impact on the reputation or brand of the organisation which could threaten its future viability. Intense political and media scrutiny (i.e. front-page headlines, TV). Possible criminal or high profile civil action against the Council, members or officers; or • Cessation of core activities, strategies not consistent with government's agenda, trends show service is degraded. Failure of major projects, elected Members & Senior Directors are required to intervene; or • Major financial loss, significant, material increase on project budget/cost. Statutory intervention triggered. Impact the whole Council. Critical breach in laws and regulations that could result in material fines or consequences.
<p>High ●</p>	<p>Action required promptly and to commence as soon as practicable where significant changes are necessary. A finding that could cause:</p> <ul style="list-style-type: none"> • Serious injuries or stressful experience requiring medical many workdays lost. Major impact on morale & performance of staff; or • Significant impact on the reputation or brand of the organisation. Scrutiny required by external agencies, inspectorates, regulators etc. Unfavourable external media coverage. Noticeable impact on public opinion; or • Significant disruption of core activities. Key targets missed, some services compromised. Management action required to overcome medium-term difficulties; or • High financial loss, significant increase on project budget/cost. Service budgets exceeded. Significant breach in laws and regulations resulting in significant fines and consequences.
<p>Medium ●</p>	<p>A finding that could cause:</p> <ul style="list-style-type: none"> • Injuries or stress level requiring some medical treatment, potentially some workdays lost. Some impact on morale & performance of staff; or • Moderate impact on the reputation or brand of the organisation. Scrutiny required by internal committees or Internal Audit to prevent escalation. Probable limited unfavourable media coverage; or • Significant short-term disruption of non-core activities. Standing orders occasionally not complied with, or services do not fully meet needs. Service action will be required; or • Medium financial loss, small increase on project budget/cost. Handled within the team. Moderate breach in laws and regulations resulting in fines and consequences.
<p>Low ●</p>	<p>A finding that could cause:</p> <ul style="list-style-type: none"> • Minor injuries or stress with no workdays lost or minimal medical treatment, no impact on staff morale; or • Minor impact on the reputation of the organisation; or • Minor errors in systems/operations or processes requiring action or minor delay without impact on overall schedule; or • Handled within normal day to day routines; or • Minimal financial loss, minimal effect on project budget/cost.

Each audit report will give an overall assurance level of substantial, reasonable, limited or no assurance, in line with the following assurance level definitions:

<p>Substantial</p> <p>●</p>	<p>There is a sound control environment with risks to key service objectives being reasonably managed. Any deficiencies identified are not cause for major concern. Findings will normally only be Advice and Best Practice.</p>
<p>Reasonable</p> <p>●</p>	<p>An adequate control framework is in place but there are weaknesses which may put some service objectives at risk. There are Medium priority findings indicating weaknesses, but these do not undermine the system's overall integrity. Any Critical findings will prevent this assessment, and any High findings would need to be mitigated by significant strengths elsewhere.</p>
<p>Limited</p> <p>●</p>	<p>There are a number of significant control weaknesses which could put the achievement of key service objectives at risk and result in error, fraud, loss or reputational damage. There are High findings indicating significant failings. Any Critical findings would need to be mitigated by significant strengths elsewhere.</p>
<p>No</p> <p>●</p>	<p>There are fundamental weaknesses in the control environment which jeopardise the achievement of key service objectives and could lead to significant risk of error, fraud, loss or reputational damage being suffered.</p>

Reports will be distributed to the key contacts detailed in the audit Terms of Reference, including the appropriate senior manager and relevant Strategic Director. Reports rated “No” or “Limited” assurance will be provided to the Assurance Group.

Summary reports will be provided to the Assurance Group and the Audit and Standards Committee quarterly. These will detail changes to the Internal Audit plan, progress against the plan, summaries of limited or no assurance reports, performance of Internal Audit in delivery of its service and management’s performance in implementing critical and high rated findings.

8. Annual Opinion

Internal Audit provides an annual overall opinion of the internal control environment based on the results of audit work conducted. In arriving at the opinion, the Head of Assurance also places reliance on other assurance activities and the governance framework and risk management processes in place.

This annual opinion is reported to the Audit and Standards Committee and the Assurance Group and forms an important part of the formation of the Annual Governance Statement.

9. Follow up of findings and agreed action plans

Internal Audit will be responsible for appropriate follow-up of critical and high rated audit findings and validation of agreed action plans. Management provide corroborating evidence to the auditor demonstrating that the recommendations made have been implemented and a risk-based approach, focusing on critical and high rated findings, is taken to review and validate the information provided.

Internal Audit will perform a full follow up of an area where the audit rating was “no assurance” in the following year.

Findings will remain open until cleared by Internal Audit or the Audit and Standards Committee.

Where reasonable progress is not achieved in addressing the findings, the Assurance Group and/or Audit and Standards Committee may request that the responsible manager / Strategic Director prepare and/or present a report to the Audit and Standards Committee setting out the action plan to address the findings and how residual risks are to be addressed until the action plan is fully delivered.

10. Internal Audit performance monitoring

The following performance indicators will be reported against quarterly to the Assurance Group and the Audit and Standards Committee:

Purpose	Target	What it measures
% of Audit Plan completed (Audits at draft report stage)	>25% by end of Q2	Delivery measure
	>50% by end of Q3	
	>80% by end of Q4	
	100% by end of May of the following year	
Meet standards of Public Sector Internal Audit Standards	Substantial assurance or above from annual review	Compliant with professional standards
High Risk Recommendations not addressed within timescales	<5%	Delivery measure
Overall Client Satisfaction	> 85% satisfied or very satisfied over rolling 12-month period	Customer satisfaction

Appendix 3: Internal Audit Plan 2022/23

Contents:

1. Introduction
2. Approach to preparing the Internal Audit plan
3. Basis of the Internal Audit plan 2022/23
4. Internal Audit plan 2022/23
5. Resource requirement and financial implications
6. Internal Audit opinion
7. Changes to the plan

1. Introduction

This Internal Audit plan has been developed in accordance with the Internal Audit Charter and Internal Audit Strategy.

All London Borough of Barking and Dagenham's activities (including outsourced activities) and owned legal entities are within the scope of Internal Audit. Internal Audit determines what areas within its scope should be included within the annual audit plan by adopting an independent risk-based approach. Internal Audit does not necessarily cover all potential scope areas every year.

2. Approach to preparing the Internal Audit plan

The Internal Audit plan has been developed in accordance with the Internal Audit Strategy through:

- Understanding the Council's vision for the borough and its strategic priorities:

Vision: A place people are proud of and want to live, work, study and stay.

Strategic Priorities:

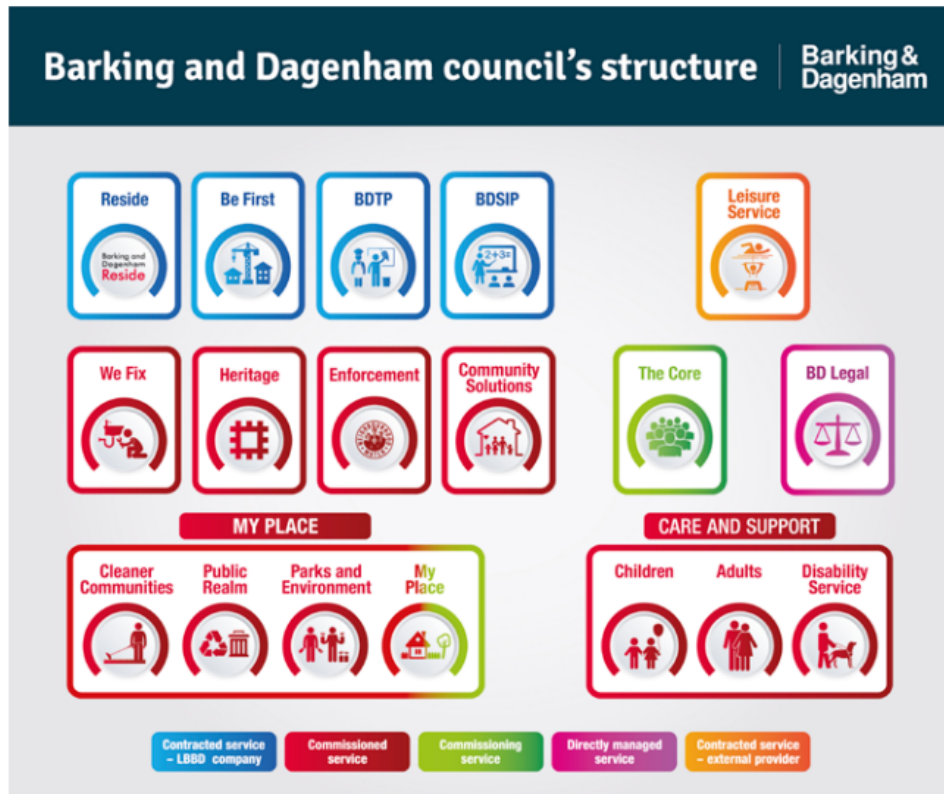
Priority 1: Participation & Engagement - Empowering residents by enabling greater participation in the community and in public services.

Priority 2: Prevention, Independence and Resilience - Children, families and adults in Barking & Dagenham live safe, happy, healthy and independent lives.

Priority 3: Inclusive Growth - Harness the growth opportunity that arises from our people, our land and our location in ways that protect the environment and enhance prosperity, wellbeing and participation for all Barking & Dagenham residents.

Priority 4: Well Run Organisation – Focusing on the efficient and effective operation of the Council itself.

- Identifying the auditable areas within the Council aligned to the 'Service Delivery Blocks':



- Engaging with management throughout the Council to understand key risks, areas of significant change, assurance work to date and other assurance providers. The Head of Assurance has held meetings with the Senior Leadership Team and other senior Council officers during the formation of this plan.
- Engaging with external audit to consult on audit plans and to seek opportunities for co-operation in the conduct of audit work. BDO, the current external auditors, are in the third year of their contract.
- Understanding emerging issues and potential audit areas from sector and assurance knowledge and understanding.

3. Basis of the Internal Audit plan 2022/23

The table below sets out the strategic audit plan by service delivery block, including relevant Internal Audit work from 2017/18 to 2021/22 along with relevant external sources of assurance and the suggested plan for 2022/23.

Audit planning comments	Internal Audit plan 2022/23
Finance	
Previous relevant Internal Audit work: <u>2021/22</u>	<ul style="list-style-type: none"> General Ledger & Budgetary Control Pension Fund Investments Capital Programme / Budgeting

<ul style="list-style-type: none"> • Sales, Fees and Charges Compensation Scheme (N/A) • Investment Strategy (Limited Assurance) • Covid Grant Payments (substantial assurance) • Insurance (reasonable assurance) <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Pensions Administration (reasonable assurance) • Treasury Management (substantial assurance) • Covid-19 Spend Review (substantial assurance) <p><u>2019/20</u></p> <ul style="list-style-type: none"> • Budgetary Control and Savings Management (reasonable assurance) • Oracle system (Limited Assurance) <p><u>2017/18</u></p> <ul style="list-style-type: none"> • Transformation Governance review including review of the Investment and Acquisitions Strategy programme (N/A) • Insurance (reasonable assurance) <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> • External Audit 	
Law, Governance and Organisational Change	
<p>Previous relevant Internal Audit work:</p> <p><u>2021/22</u></p> <ul style="list-style-type: none"> • Payroll (reasonable assurance) • Mayor's Account (N/A) • HR Service Desk System (reasonable assurance) • DBS Checks (reasonable assurance) • Barking Market (reasonable assurance) • Parking Enforcement (reasonable assurance) • CCTV Operation (Limited Assurance) 	<ul style="list-style-type: none"> • Payroll & Expenses • Enforcement service - bailiff system implementation b/f 21-22 • Licencing • Trading Standards • Regulatory Services - Health & Safety • Sickness & Absence Management • Right to Work in UK - Post Brexit (EU Citizens) • Electoral Program

<ul style="list-style-type: none"> • Well Run Organisation (reasonable assurance) • Human Resources (Limited Assurance) • Mandatory Training (Limited Assurance) • Members Expenses & Allowances (N/A) • Parking Legislation Review (Limited Assurance) <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Recruitment Governance & Vetting (reasonable assurance) • Talent Link System (reasonable assurance) • Overtime Payments (Limited Assurance) • Parking Permits (reasonable assurance) • PCNs (reasonable assurance) • New Parking System (Limited Assurance) <p><u>2019/20</u></p> <ul style="list-style-type: none"> • HR on and off boarding (reasonable assurance) • Payroll (reasonable assurance) • Emergency Planning and Business Continuity (reasonable assurance) • Right To Buy Sales & Leasing (Limited Assurance) <p><u>2018/19</u></p> <ul style="list-style-type: none"> • Recruitment (Limited Assurance) • Sickness Absence compliance review (N/A) • IR35 compliance (reasonable assurance) • Parking Income Collection (reasonable assurance) • Gifts and Hospitality (reasonable assurance) • Governance (reasonable assurance) • Parking Income Collection (reasonable assurance) <p><u>2017/18</u></p> <ul style="list-style-type: none"> • Payroll (substantial assurance) • Licensing (Limited Assurance) 	
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<ul style="list-style-type: none"> • Planning Enforcement (Limited Assurance) • Transformation Governance review, including review of the Enforcement programme (N/A) • Electoral Registration (substantial assurance) <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> • External audit • Disability Confident Employer accreditation • Investors in People – Gold • Food Standards Agency. • Health and Safety Executive. 	
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Strategy and Culture

<p>Previous relevant Internal Audit work:</p> <p><u>2021/22</u></p> <ul style="list-style-type: none"> • ERP Implementation (substantial assurance) • IT Service Management Procurement (reasonable assurance) • IT Asset Management (reasonable assurance) • Brexit & Covid Impact (limited assurance) • Core Transformation (reasonable assurance) • Cloud IT Provider (reasonable assurance) <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Information Security (limited assurance) • ERP System Replacement Procurement (substantial assurance) • Remote Working Security & Resilience (assurance TBC) • Data Privacy (assurance TBC) <p><u>2019/20</u></p> <ul style="list-style-type: none"> • Key Performance Indicator Monitoring and Reporting (Limited Assurance) 	<ul style="list-style-type: none"> • ERP Post Implementation Review • Geographical Information System Review • Server Virtualisation & Management
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- Information Security – initial review (reasonable assurance)
- Freedom of Information Requests (Limited Assurance)
- Data Transparency (reasonable assurance)
- Elevate Contract Exit (reasonable assurance)
- Management of Heritage Assets (reasonable assurance)

2018/19

- IT Risk Diagnostic (N/A)
- Information Governance – Subject Access Requests (substantial assurance)
- Everyone Active Contract Management (reasonable assurance)
- Cyber Security (Limited Assurance)
- Brexit Impact (N/A)
- Museum Accreditation compliance audit (N/A)

2017/18

- Transformation Governance review (N/A)
- IT Asset Management (reasonable assurance)
- Security Framework (Limited Assurance)

Other relevant assurance providers:

- HSE inspections
- SEQOHS accreditation.
- Annual inspections under the Visitor Attraction Quality Service accreditation
- Heritage Lottery Fund grant funding monitoring
- National Accreditation Scheme for Museums and Galleries
- Local Studies Centre's Archive Service Accreditation

<p>Previous relevant Internal Audit work:</p> <p><u>2021/22</u></p> <ul style="list-style-type: none"> • Accounts Payable (reasonable assurance) • Procurement Cards (limited assurance) • BDMS Charging Mechanism (assurance TBC) • Climate Change (N/A) • Customer Relationship System (reasonable assurance) <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Risk in the Supply Chain (N/A) • Be First Governance (reasonable assurance) • NNDR (reasonable assurance) • Transfer of Properties from BeFirst to Reside (reasonable assurance) <p><u>2019/20</u></p> <ul style="list-style-type: none"> • Accounts Payable (reasonable assurance) • Procurement (reasonable assurance) • Procurement Cards (Limited Assurance) • Retrospective Purchase Orders (N/A) <p><u>2017/18</u></p> <ul style="list-style-type: none"> • Accounts Payable (reasonable assurance) 	<ul style="list-style-type: none"> • Accounts Payable
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My Place	
<p>Previous relevant Internal Audit work:</p> <p><u>2021/22</u></p> <ul style="list-style-type: none"> • Accuserv System (limited assurance) • Compliance Health Check (N/A) • Housing Repairs & Maintenance (No Assurance) • Subletting Leaseholders (No Assurance) • Housing Rents (reasonable assurance) <p><u>2020/21</u></p>	<ul style="list-style-type: none"> • Fire Safety Compliance Management • Workshop • Passenger Transport • Waste Collections • Waste Management - Health & Safety • Housing Void Management • Housing Register & Allocation Review • Be First - Reside - My Place Relationship b/f 21-22

<ul style="list-style-type: none"> • Tenant & Leaseholder Act Requirements (Sect 20) (Limited Assurance) • LMS - post implementation review (Limited Assurance) • Tenancy Data (Limited Assurance) • Safety Compliance Review Work (N/A) <p><u>2019/20</u></p> <ul style="list-style-type: none"> • Voids (Limited Assurance) • Housing System Implementation (N/A) • Stewardship of Council Vehicles (Limited Assurance) • Commercial Waste (reasonable assurance) • Passenger Transport (Limited Assurance) <p><u>2018/19</u></p> <ul style="list-style-type: none"> • My Place Procurement and Contract Management (Limited Assurance) • Asset Management (Limited Assurance) • Follow-up of Security of Corporate Buildings (rating TBC) • Commercial Waste (N/A) • Parks and Grounds Maintenance follow up and compliance audit (reasonable assurance) • Fleet Management (substantial assurance) <p><u>2017/18</u></p> <ul style="list-style-type: none"> • Housing Service Contracts – Responsive Repairs (Limited Assurance) • Street Lighting Contract (substantial assurance) • Highways maintenance (reasonable assurance) • Highways asset management – (reasonable assurance) • Fire Safety (reasonable assurance) • Security of Corporate Buildings (Limited Assurance) • Transformation Governance review, including review of the Public Realm programme (green) 	<ul style="list-style-type: none"> • Leasehold Management Service Charges • Right to Buy Valuations • Housing Rent Setting Review
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<ul style="list-style-type: none"> • Parks and Grounds Maintenance (N/A) <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> • Pennington Choices review of Landlord Compliance • Social Housing Regulator opinion • Institute of Cemetery and Crematorium Management – gold standard accreditation 2019 • ROSPA Independent Yearly Playground Inspections 	
Community Solutions	
<p>Previous relevant Internal Audit work:</p> <p><u>2021/22</u></p> <ul style="list-style-type: none"> • Accounts Receivable (limited assurance) • Housing Benefits (substantial assurance) • Council Tax (reasonable assurance) <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Rent Arrears (substantial assurance) • Welfare Reform (substantial assurance) • Early Help (No Assurance) <p><u>2019/20</u></p> <ul style="list-style-type: none"> • Private Sector Housing (substantial assurance) • Accounts Receivable (assurance TBC) • Debt Recovery / Write-off (Limited Assurance) <p><u>2018/19</u></p> <ul style="list-style-type: none"> • Homelessness Reduction Act (reasonable assurance) <p><u>2017/18</u></p> <ul style="list-style-type: none"> • Transformation Governance review, including review of the Community Solutions programme (green) • Council Tax (reasonable assurance) • Housing Rents (Limited Assurance) <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> • 2018 London SCB Review of MASH 	<ul style="list-style-type: none"> • Accounts Receivable • Homelessness • Domestic Violence Service

People and Resilience	
<p>Previous relevant Internal Audit work:</p> <p><u>2021/22</u></p> <ul style="list-style-type: none"> • Specialist Intervention Service (reasonable assurance) • Financial Assessments (reasonable assurance) • Social Care Charging Policy (reasonable assurance) • Public Health – internally commissioned services (Limited Assurance) • Care Leavers (reasonable assurance) <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Youth Offending Team (reasonable assurance) • Disability Related Expenditure (reasonable assurance) • Adoptions Service (reasonable assurance) • Addition Resource Provision (reasonable assurance) • Special Guardianship Orders (Limited Assurance) • Education, Health and Care Plans (reasonable assurance) • Homelessness - Southwark Judgement (substantial assurance) <p><u>2019/20</u></p> <ul style="list-style-type: none"> • Liquidlogic System Implementation (limited assurance) • Social Care Forecasting (assurance TBC) • Public Health Grant (reasonable assurance) • School Audits <p><u>2018/19</u></p> <ul style="list-style-type: none"> • Direct Payments (limited assurance) • Adoptions (no assurance – improved to reasonable assurance at follow-up) • Risk Assessment of Schools • School Audits 	<ul style="list-style-type: none"> • Direct Payments • Planning for School Places • Adult Care Deferred Payments • Special Education Needs & Disability • Early Help KPI Monitoring & Reporting • LAC Savings Accounts continued

<p><u>2017/18</u></p> <ul style="list-style-type: none"> • Looked After Children (substantial assurance) • Foster Care (substantial assurance) • Adaptations Grant Scheme (no assurance, improved to reasonable assurance at follow-up) • Schools Admissions (substantial assurance) 	
Council Companies (from the Council's risk perspective)	
<p>Previous relevant Internal Audit work:</p> <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Be First Governance (reasonable assurance) • Transfer of Properties from Be First to Reside (reasonable assurance) • Reside Landlord Compliance (limited assurance) <p><u>2019/20</u></p> <ul style="list-style-type: none"> • Be First - Capital Programme (N/A) <p><u>2018/19</u></p> <ul style="list-style-type: none"> • Be First – Procurement on behalf of LBBD (reasonable assurance) <p><u>2017/18</u></p> <ul style="list-style-type: none"> • Reside – Housing Rents (Limited Assurance) • Be First - Scheme of Delegation (N/A) • Be First - Community Infrastructure Levy / Section 106 (Limited Assurance) • Be First - Planning Applications (reasonable assurance) 	<ul style="list-style-type: none"> • Be First

4. Internal Audit Plan 2022/23

The audit plan details the draft audit title and draft audit objective or reason for inclusion in the plan.

Audit Title	Days	Focus of Scope
Finance		
General Ledger & Budgetary Control	20	Key Financial System – control design & effectiveness
Pension Fund Investments	15	Controls around high value & high risk area
Capital Programme / Budgeting	15	Key Financial System – control design & effectiveness
Inclusive Growth		
Accounts Payable	20	Key Financial System – control design & effectiveness
Law, Governance & Organisational Change		
Payroll & Expenses	20	Key Financial System – control design & effectiveness
Enforcement service - bailiff system implementation b/f 21-22	15	New system – control design and effectiveness
Licencing	15	Compliance with regulation, issuing of licences
Trading Standards	15	Discharge of statutory duties
Regulatory Services - Health & Safety	15	Statutory duty under Section 18 of the Health and Safety at Work Act 1974 to ‘make adequate provision’ for health and safety enforcement
Sickness & Absence Management	10	Workplace culture and corporate approach to driving down sickness
Right to Work in UK - Post Brexit (EU Citizens)	10	Recent legislation requirements
Electoral Program	10	Government returns
Community Solutions		
Accounts Receivable	15	Key Financial System – control design & effectiveness
Homelessness	15	Prevention strategy and statutory obligations
Domestic Violence Service	15	Review of resources and systems dealing with demand
My Place		
Fire Safety Compliance Management	60	Control design and implementation
Workshop	12	Procedural compliance
Passenger Transport	12	Authorisation of drivers and safety of service users
Waste Collections	12	Identification of customers and costs, collections of waste
Waste Management - Health & Safety	12	Control effectiveness – safety of operatives and residents
Housing Void Management	15	Recording and turnaround of properties
Housing Register & Allocation Review	15	Process to joining register and allocation to tenants

Be First - Reside - My Place Relationship b/f 21-22	15	Governance and scrutiny of relationships
Leasehold Management Service Charges	15	Controls around ensuring that the right leaseholders are charged the right amounts
Right to Buy Valuations	15	Risk and control review to ensure fair asset valuations
Housing Rent Setting Review	10	Rents setting control effectiveness
People and Resilience		
Direct Payments	15	Policies and procedures for administering scheme and monitoring of client activity
Planning for School Places	15	Link to Inclusive Growth strategy
Adult Care Deferred Payments	15	Verification of agreements and recovery of amounts
Special Education Needs & Disability	15	Focus on areas highlighted by Ombudsman
Early Help KPI Monitoring & Reporting	15	Control design of revised system
LAC Savings Accounts continued	10	Supporting service with changing practices
Audit Title	Days	Reason for Inclusion
Strategy and Culture		
ERP Post Implementation Review	15	Review of green lighting and system amendments
Geographical Information System Review	15	New system – control design and implementation
Server Virtualisation & Management	15	New system – control design and implementation
Schools		
School Audits	50	School probity review of whole business area
School Follow-ups	5	Review of last year's agreed actions
Council Owned Companies		
Be First	15	TBC
Prior year completion	10	Completion of the 2021/22 audit programme post 31 March 2022.
Prior year annual opinion	5	Drafting of the 2021/22 annual audit opinion.
Annual quality assessment	5	Annual review of Internal Audit against the PSIAS.
Internal audit methodology review	10	Review and update of the Internal Audit methodology, including review of the Internal Audit Manual
Grant claims	10	Drafting the Annual Governance Statement

Proactive assurance support and advice	20	Review and sign off of grant claims where Internal Audit scrutiny is required / requested.
Corporate Governance	15	Attendance at relevant meetings to provide proactive assurance and advice including Assurance Group and Programme Boards.
Management requests	10	Responding to ad hoc management requests for audit support and advice.
Follow ups	30	Tracking management implementation of agreed action plans for critical and high rated findings; review and validation of evidence provided of implementation.
Audit planning	20	Periodic review and updating of the annual audit plan throughout the year and production of the Internal Audit plan 2023/24.
Committee reporting	10	Quarterly reporting to Assurance Group and Audit & Standards Committee.
External audit engagement and support	15	Engagement with external audit to work collaboratively and delivery of any control assignments identified
Stakeholder engagement	20	Engagement with key stakeholders to understanding of risks, activities and the performance of Internal Audit.
Management time	20	Management time of the audit team and the external provision.
Contingency	47	Contingency for ad hoc activity.
TOTAL DAYS	865	

5. Resource requirement and financial implications

The 2022/23 Internal Audit plan is estimated to consist of 865 days, the same as that agreed for 2021/22. Within the 865 days, contingency of 47 days has been included to allow for unplanned Internal Audit work.

The budget for the full plan has been approved by the CFO.

6. Internal Audit opinion

The annual Internal Audit opinion will be based on and limited to the Internal Audits completed over the year and the control objectives agreed for each individual Internal Audit as set out in each Terms of Reference.

In developing the Internal Audit risk assessment and plan, the requirement to produce an annual Internal Audit opinion has been considered by determining the level of Internal Audit coverage over the audit universe and key risks.

7. Changes to the plan

The plan is a live document and therefore audits will be added and removed to the plan where there are significant changes, including changes to activities, risks and assurances. Quarterly updates to Assurance Group and the Audit and Standards Committee throughout the year will include details of changes to the plan.

It may also be the case that more changes are necessary to the agreed audit plan than normal as 2022/23 develops. The Council's continued recovery from the COVID-19 crisis may create a demand for new and unforeseen audits and the plan may also change according to service disruption. It may also be the case that staff become unavailable through sickness or redeployment.

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AUDIT AND STANDARDS COMMITTEE
20 July 2022

Title: Internal Audit Annual Report 2021/22	
Report of the Chief Financial Officer	
Open Report	For Information
Wards Affected: None	Key Decision: No
Report Author: Christopher Martin, Head of Assurance	Contact Details: Tel: 020 8227 2174 E-mail: Christopher.Martin@lbbd.gov.uk
Accountable Strategic Leadership Director: Philip Gregory, Chief Financial Officer	
Summary	
<p>This report outlines the Internal Audit work carried out for the year ended 31 March 2022.</p> <p>The Internal Audit annual report contains the Head of Assurance Opinion based on the work undertaken in the year. This is “generally satisfactory with some improvements required”.</p>	
Recommendation(s)	
The Committee is recommended to note the contents of the report.	
Reason(s)	
To provide an Internal Audit Opinion on the Council's framework of governance, risk management and control that helps to evidence the effectiveness of systems as set out in the Annual Governance Statement.	

1 Internal Audit Annual Report 2021/22

- 1.1 This report outlines the Internal Audit work carried out for the year ended 31 March 2022.
- 1.2 The report contains the Head of Assurance Opinion based on the work undertaken in the year. This is “*generally satisfactory with some improvements required*”. All work was complete at the time of publishing this report.
- 1.3 The Internal Audit Annual Report is set out at Appendix 1.

2 Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Solicitor

- 2.1 The Accounts and Audit (England) Regulations 2015 section require that: a relevant authority must ensure that it has a sound system of internal control which—facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk.
- 2.2 Furthermore the Director of Finance has a statutory duty, under Section 151 of the Local Government Act 1972 and Section 73 of the Local Government Act 1985, to ensure that there are proper arrangements in place to administer the Council's financial affairs.
- 2.3 The Local Government Act 1972 provides the Council with the ability to investigate and prosecute offences committed against it. We will enhance our provision further by making best use of existing legislation, for example the Proceeds of Crime Act 2002, to ensure that funds are recovered, where possible by the Council.

3 Financial Implications

Implications completed by: Katherine Heffernan, Group Manager – Service Finance

- 3.1 Internal Audit is fully funded as part of the Council's Finance Service. It is a key contribution to the overall management and control of the Council and its stewardship of public money. The recommendations and improvements as a result of its findings will be implemented from within existing resources. There are no further financial implications arising from this report .

4 Other Implications

- 4.1 **Risk Management** – Internal Audit activity is risk-based and therefore supports effective risk management across the Council.
- 4.2 No other implications to report

Public Background Papers Used in the Preparation of the Report:

- None

List of appendices:

- Appendix 1: Internal Audit Annual Report 2021/22

Appendix 1: Internal Audit Annual Report 2021/22

Contents:

1. Introduction
2. Head of Internal Audit Opinion
3. The 2021/22 Internal Audit service
4. 2021/22 Internal Audit work conducted
5. Progress against audit plan
6. Results of the Internal Audit work
7. Internal Audit performance
8. Appendices

1. Introduction

This report outlines the work that Internal Audit have carried out for the year ended 31 March 2022.

The Public Sector Internal Audit Standards require the Chief Audit Executive (Head of Assurance) to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control (i.e. the organisation's system of internal control). This is achieved through a risk-based plan of work, agreed with management and approved by the Audit & Standards Committee, which should provide a reasonable level of assurance, subject to the inherent limitations described below and set out in Appendix 1. The opinion does not imply that Internal Audit has reviewed all risks relating to the organisation.

The 2021/22 Internal Audit Plan, approved by the Audit and Standards Committee, included 52 audits, consisting of 41 risk and compliance audits, 10 school audits and a project to follow-up prior year work in schools. 52 audits were delivered, consisting of 41 risk and compliance audits, 10 audits of schools and the schools' follow-up work. Reasons for variations in the plan were reported quarterly to the Audit and Standards Committee.

Internal Audit work was performed in accordance with the Public Sector Internal Audit Standards. The annual Internal Audit report is timed to inform the organisation's Annual Governance Statement.

2. Head of Assurance Opinion

I am satisfied that sufficient Internal Audit work has been undertaken to allow an opinion to be given as to the adequacy and effectiveness of governance, risk management and control. In giving this opinion, it should be noted that assurance can never be absolute. The most that the Internal Audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control.

My opinion is based on:

- All audits undertaken during the year.

- Any follow up action taken in respect of audits from previous periods.
- Any significant recommendations not accepted and/or addressed by management and the resulting risks.
- The effects of any significant changes in the organisation's objectives or systems.
- Any limitations which may have been placed on the scope or resources of internal audit.
- What proportion of the organisation's audit needs have been covered to date.

My opinion is as follows:

Generally satisfactory with some improvements required.

Governance, risk management and control in relation to business critical areas is generally satisfactory. However, there are some areas of weakness and non-compliance in the framework of governance, risk management and control which potentially put the achievement of objectives at risk.

Some improvements are required in those areas to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

An explanation of the types of opinion that may be given can be found in Appendix 2.

I would like to take this opportunity to thank Council officers for their co-operation and assistance provided during the year.

3. The 2021/22 Internal Audit service

The in-house team consists of four substantive posts - an Audit Manager, two Principal Auditors and an Audit Trainee. Only the Audit Manager and one Principal Auditor posts were filled during the year with the other two remaining vacant. The Principal Auditor achieved the Institute of Internal Auditors qualification during the year. The Head of Assurance is the Council's Chief Audit Executive and splits his time between Internal Audit, Counter Fraud, Insurance and Risk Management. Efforts were made during the year to appoint to the Audit Trainee post but no suitable candidates were found following the recruitment exercise.

The Internal Audit service continued to be supported throughout 2021/22 by Mazars through the Council's contract with LB Croydon (the 'Apex' framework) and PwC via the contract with LB Barnet (the 'CCAS' framework).

Internal Audit has remained independent of the business in 2021/22. As detailed in the Internal Audit Strategy, additional safeguards have been put in place over areas for which the Head of Assurance is operationally responsible.

4. 2021/22 Internal Audit work conducted

The approved 2021/22 internal audit plan consisted of:

- 41 risk and compliance internal audits.
- 10 audits of schools.
- 1 follow-up project of prior year work in schools.

Five risk and compliance audits were added to the plan in the year as follows:

- Climate Change – added in Q1 due to being deferred from the prior year
- HR Service Desk Procurement – added in Q3 when the procurement exercise was identified
- Compliance Health Check – added in Q3 due to an emerging risk from other work
- Cloud IT Provider – Service Management – added in Q4 due to an emerging risk
- Parking Legislation Review – added in Q4 due to an emerging risk

The following five risk and compliance audits were deferred or cancelled as follows:

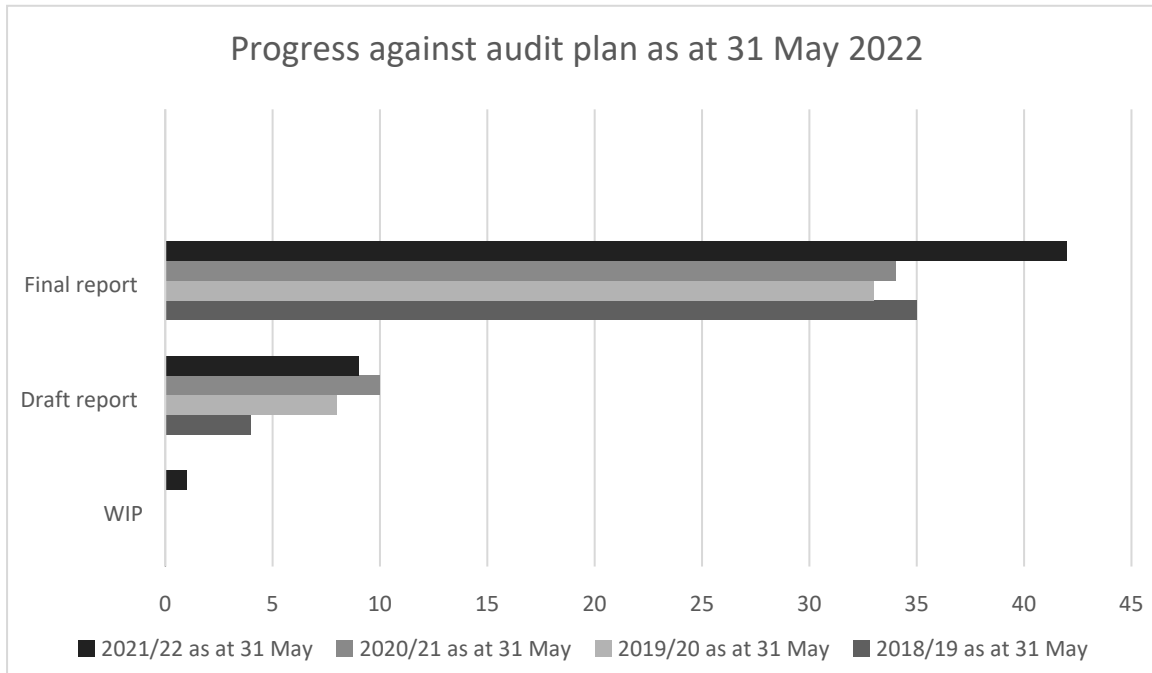
- Agency Recruitment – deleted in Q2 as the work was incorporated into another project
- CM2000 Care Management System – deferred to 2022/23 in Q2 as the system has not yet been implemented
- Bailiff System Review – deferred to 2022/23 in Q2 as the system has not yet been implemented
- My Place / Be First / Reside Relationship – deferred in Q3 to 2022/23 due to extent of existing unplanned work in My Place
- IT Availability and Capacity Management – deleted in Q4 as the work was incorporated into another project

5. Progress against audit plan

Of the resultant 52 audits (41 risk and compliance and 11 audits of schools), as at 31 March 2022, 23 were at final report and 21 at draft report stage with the remainder still work in progress. The total of 83% at report met the target of 80%.

During April and May 2022, further progress was made in finalising draft reports meaning that, as at 31 May 2022, 42 were at final report, 9 at draft report stage and 2 work in progress. This fell short the target of 100% to have reported by this date due to the late stage of the year when additional pieces of work were required. All 2021/22 work is now complete.

Progress Status	2021/22 31 May 2022		2020/21 31 May 2021		2019/20 31 May 2020		2018/19 31 May 2019	
Final Report	42	81%	34	77%	33	80%	35	90%
Draft Report	9	17%	10	23%	8	20%	4	10%
WIP	1	2%	0	0%	0	0%	0	0%
TOTAL	52		44		41		39	



6. Results of the Internal Audit work

Risk and Compliance audits

Internal Audit reports include a summary level of assurance using the following scale:

- Substantial Assurance
- Reasonable Assurance
- Limited Assurance
- No Assurance

Internal Audit findings are categorised Critical, High, Medium and Low risk (or advisory) depending upon the impact of the associated risk attached to the recommendation.

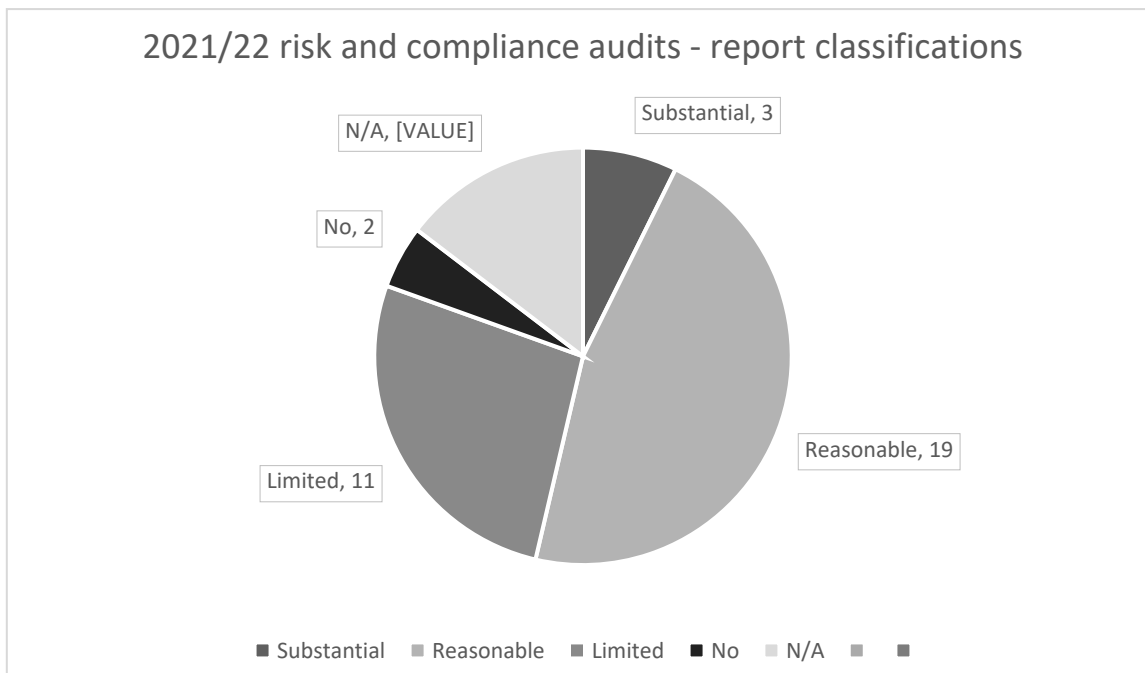
Definitions of the ratings can be found at Appendix 3.

The table below sets out the results of our 42 risk and compliance 2021/22 internal audits:

Audit	Opinion	Number of Findings			
		Critical	High	Medium	Low
Subletting Leaseholders	No Assurance	1	3	2	0
Housing Repairs & Maintenance	No Assurance	0	4	0	0
Temporary Staffing	Limited	0	2	2	2
Accounts Receivable	Limited	0	2	0	1
Council Tax	Limited	0	1	5	1
Procurement Cards	Limited	0	1	6	1
Investment Strategy	Limited	0	2	2	1
CCTV Operation	Limited	0	2	3	0
Parking Legislation Review	Limited	0	1	1	3
Public Health - internally commissioned services	Limited	0	1	2	1
Accuserv - Repairs Management System	Limited	0	1	3	1
Brexit & Covid Impact	Limited	0	2	1	0
Mandatory Training	Limited	0	3	6	0
Be First - Procurement	Reasonable	0	0	2	2
Insurance	Reasonable	0	0	2	1
Accounts Payable	Reasonable	0	0	1	1
Parking Enforcement	Reasonable	0	0	4	0
Well Run Organisation	Reasonable	0	0	1	1
Housing Rents	Reasonable	0	0	1	3
Specialist Intervention Services C/F 2020/21	Reasonable	0	0	2	0
Implementation of Charging Policy	Reasonable	0	0	4	1
Financial Assessment Process	Included within above	-	-	-	-
Care Leavers	Reasonable	0	0	3	0
Procurement of Information Technology Service Management System	Reasonable	0	0	5	0

IT Asset Management	Reasonable	0	0	3	1
Cloud IT Provider – Service Management	Reasonable	0	0	4	1
Core Transformation	Reasonable	0	0	1	1
Procurement of Customer Relationship Management System	Reasonable	0	0	3	0
Barking Market	Reasonable	0	1	4	1
HR Service Desk System Procurement & Implementation Review	Reasonable	0	0	4	0
Payroll	Reasonable	0	1	1	0
DBS Checks - reporting, recording and renewal	Reasonable	0	0	3	0
Housing Benefits	Substantial	0	0	0	1
ERP Implementation - Part 2	Substantial	0	0	0	0
Covid Grant Payments	Substantial	0	0	0	1
Climate Change	N/A - advice	-	-	-	-
Members Expenses and Allowances	N/A - advice	-	-	-	-
Compliance Health Check Proposal	N/A - advice	-	-	-	-
Looked After Children Savings Accounts	N/A - advice	-	-	-	-
Sales fees and charges compensation scheme	N/A - advice	-	-	-	-
Mayor's Account	N/A - advice	-	-	-	-
Total		1	28	82	27

2021/22 risk and compliance audits - report classifications



We issued two No Assurance and eight Limited Assurance reports in the year as follows:

Title	Summary of findings and current progress to address reported high-risk findings
<p>Subletting Leaseholders</p> <p>The objective of this audit is to determine whether adequate and effective systems of control in respect to Subletting Leaseholders are in place and consistently applied to meet the Council’s requirements and current legislation.</p>	<p>No Assurance</p> <p>A critical finding of this audit was that there are currently no documented procedures in place to ensure that that the Insurance Team are notified of all new sublets, change of occupier and Buy Back information. Insurance must hold an accurate record of the occupants of properties for which the Council is the freeholder as the Council’s insurer requires that all sublet properties are declared at inception, policy renewal and mid-term. Information had previously been provided to the Insurance team when a sublet registration was completed but sample testing could not be undertaken during this audit due to the backlog of sublet properties to be registered. Audit did identify that Insurance currently lists 1608 properties as being sublet but that the Sales and Leasing Team identified 1389 properties on Open Housing which listed a separate correspondence address which indicates that the property is sublet. There was no single version of the truth.</p> <p>It was also established that there were no wider policies and procedures in place for the registration of sublet leasehold properties and that no leasehold properties have been registered as sublet since March 2020. The Sales and Leasing Team estimate that there are over one hundred outstanding sublets for registration. Audit</p>

	<p>could not identify if fees had been paid but the Sales and Leasing Team believe that some of these may have been. There was also limited management oversight of the process.</p> <p><i>A protocol between Sales and Leasing, Council Tax and Insurance to address the critical finding is to be put in place by the end of June 2022. All other actions to be completed by October 2022.</i></p>
<p>Housing Repairs and Maintenance</p> <p>The objective of this audit was to evaluate the control design and test the operating effectiveness of key controls in place relating to the Repairs and Maintenance process for housing.</p>	<p>No Assurance</p> <p>The productivity and customer satisfaction metrics of the repairs service have lagged behind other comparable providers despite increasing costs. There is a plan in place to address this post Covid, with an investment being made by the Council to clear the back log of repairs. This will result in the drafting of a new Service Level Agreement (SLA) that sets out the roles and responsibilities of the Council and BDMS. There are currently gaps in the documentation of the procedures that are in place to cover the repairs and maintenance process.</p> <p>It is also noted that at time of audit the new ways of working have not arrested the decline in productivity of the repairs staff used under this contract. There has also been a steady increase in the backlog of repairs and maintenance. This may require a further review of the ways of working of BDMS to achieve the required improvement in performance.</p> <p>This review also identified that in addition to this improvement work there is a need to strengthen some of the internal processes within BDTP. This is particularly evident when it comes to quality checks of repairs work completed. As part of the review evidence of completed quality checks could only be provided for less than half of the repairs sampled. This lack of review of repairs may not be identifying issues with the service delivered or quality of work that are driving poor customer satisfaction.</p> <p>We also noted that the Council has limited ability to determine the cost of the service being provided. This makes it difficult for the Council to have any confidence in the value for money of the service. This is practically important to measure given low productivity of operatives and the high cost of We Fix, the department of the Council that employs the trades people used for repairs and maintenance and are managed by BDTP, creating uncertainty as to whether the service represents good value for money. There are further issues relating to the way cost is managed in the repairs and maintenance process that have been identified and will be explored further as part of</p>

	<p>the BDMS Charging Controls Audit.</p> <p>We identified four high risk findings. These are:</p> <ul style="list-style-type: none"> • Certification of work done – BDMS has a process in place to certify that work is done to the required quality through post-work photos and tenant signatures. This review identified that 56% of repair records sampled lack photographs and 52% lack tenant signatures limiting the assurance over the quality of the work done. • No formal policy and procedure agreed between BDMS and the Council – The SLA setting out the responsibilities of BDMS and the Council has yet to be agreed. This has resulted in internal policies and procedures not being put in place to cover the repairs and maintenance process. • The Council or BDMS do not have a clear understanding of the full cost of undertaking repairs and maintenance work – The Council does not factor the cost of staff it employs in the costing of repairs work and BDMS cannot track the cost of individual repairs. This limits the Council and BDMS’s ability to effectively manage costs, ensure value for money and that all costs are recovered. • Repairs back log – There is a significant repairs and maintenance back log that BDMS believes is due to a shortage of operatives. They have agreed an increase in funding with the Council but this has not yet cleared the back log. <p><i>Agreed actions due for completion by September 2022.</i></p>
<p>Accounts Receivable</p> <p>The objective of this audit was to evaluate the control design and test the operating effectiveness of key controls in place for the Accounts Receivable process.</p>	<p>Limited Assurance – now improved</p> <p>This review found no issues with respect to the process for raising and processing of invoices. However, we did note that the process for debt management, specifically in relation to chasing overdue debts was adversely impacted due to the limited reporting functionality of the Enterprise Resource Planning (ERP) system that existed at the time. This has been further exasperated by a potential lack of resources to effectively manage and monitor overdue debts as a result of staff having to split time between their typical day-to-day AR roles and assisting with the roll out/testing of the new ERP system. Management were aware of these issues and the implementation of a new ERP system is expected to enable greater automation of the debt management process.</p>

	<p>A review of the process for raising and issuing credit notes found that at present there is a possibility for staff to raise and approve credit notes, this can potentially expose the Council to credit notes being issued erroneously as well as the possibility of fraudulent credit notes being raised and issued.</p> <p>We identified no critical risks but have raised two high risk findings. These are:</p> <ul style="list-style-type: none"> • Collection of overdue debts – the ERP system had limited reporting and automation in helping to aid the debt management process. Sample testing of 25 overdue debts identified that 18 overdue debts (with a value of £521k) were noted as not having been chased at the time of audit and of the remaining seven only three had been chased in a timely manner. Failure to properly monitor and manage overdue debts may lead to potentially financial losses and/or poor cash position for the Council if debts are not recovered in a timely manner or become irrecoverable over time. • Credit notes being raised and approved by the same person – We noted two credit notes (total value £850) that were raised and approved by the same officer. This is not allowed under the current policy and without clearly enforced controls requiring independent review and approval of credit notes there exists the possibility for an officer to raise and issue credit notes, leading to erroneous credit notes being raised as well as increasing the possibility of fraud, potentially resulting in financial losses for the Council. <p><i>All agreed actions have now been implemented.</i></p>
<p>Council Tax</p> <p>The objective of this audit was to determine whether adequate and effective systems of control in respect to Council Tax are in place and consistently applied to meet</p>	<p>Limited Assurance</p> <p>Internal Audit established that procedures are in place for all key areas of Council Tax. However, it was identified that the following procedures have not been updated since 2016:</p> <ul style="list-style-type: none"> • Valuations; • Billing; • Collections; • Debt recovery • Write off. <p>Audit also identified that the Refunds, Discounts & Disregards and Exemptions procedures have not been</p>

<p>the Council's requirements and current legislation.</p>	<p>updated in the previous 12 months.</p> <p>A review of the content of the procedures identified that:</p> <ul style="list-style-type: none"> • The valuations procedure does not contain an up to date process for receiving information regarding new or altered properties • The Refunds and Write Off procedures do not contain approved values which can be authorised by supervisors, managers and service heads. <p>A further 5 medium risk actions were identified.</p> <p><i>Agreed actions due for completion by January 2023.</i></p>
<p>Investment Strategy</p> <p>The objective of this audit was to evaluate the control design and test the operating effectiveness of key controls in place for the Investment Strategy relevant to the potential risks for each scope area.</p>	<p>Limited Assurance</p> <p>The Council has an investment strategy in place to guide officers by setting out the criteria for investments made by the Council. This document supports an ongoing portfolio of investments designed to both generate a return for the Council and also support the Council's inclusive growth strategy. These investments are primarily in the form of construction in areas highlighted for regeneration but can include other investments to help generate a return for the authority. These are managed through Be First, a wholly owned company, that runs the Council's regeneration projects. A second wholly owned company, Reside, is then used to manage the properties produced once they have been completed.</p> <p>The Council's investment strategy sets out criteria for approval of these projects based on expected returns as part of detailed financial forecasts. However, this review noted that there is an unresolved conflict between the need to produce these returns and the need for investments to meet the Council's wider regeneration need. This has led to the Council authorising investments that are not permitted by the Investment strategy as it is currently defined. The Council performs stress testing over investments but the results of these are not formally reviewed as part of approval of investments and there is no guidance on their use in the strategy.</p> <p>The approvals of investments against the strategy are the responsibility of the Investment Panel. However, currently they have a limited role in monitoring these investments once approved. This role is instead shared between the Capital Board and the Shareholder Board. This is limiting as it means that the Investment Panel approves investments</p>

	<p>without complete knowledge of the state of the portfolio. It also means that no one within the Council is reviewing the risks to the Council from the investments on a regular basis as no other committee reviews the risks to and performance of the investments.</p> <p>We identified two high risk findings. These are:</p> <ul style="list-style-type: none"> • Forecasting – The Council needs to present forecast returns on investments as part of the approval process. However, we noted that there are a number of issues with these forecasts. The Council and its two wholly owned companies each use a different set of assumptions such as long term interest rates, rents and discount rates. This leads to issues valuing properties as they are transferred between Be First and Reside, causing delays and reduced returns on the investments based on the final agreed valuers often being lower. The Council has also not set out the criteria through which investments can be accepted with a lower return if they have social value. Finally, we noted that while stress testing is done this is not a requirement of the strategy and is not used to inform the approval of investments. • Reporting – The Investment Panel does not review investments on a regular basis. This is instead done indirectly by Shareholder Panel and Capital Board, however, these forums do not look at investment returns. This limits the monitoring of returns and in turn lessons learned on the performance of existing investments are not considered prior to approval of new investments. <p>We have also noted two medium and one low risk finding.</p> <p><i>Agreed actions due for completion by January 2023.</i></p>
<p>Procurement Cards</p> <p>The objective of this audit was to evaluate the control design and test the operating effectiveness of key controls in place over</p>	<p>Limited Assurance – now improved</p> <p>Audit identified that three of the twenty five card holders reviewed had an Amazon Prime account funded by their procurement card. Activity included using the Prime TV function in personal time and using the accounts to obtain free shipping for personal items. Internal Audit was informed that these officers were unaware that this was prohibited.</p> <p>Six card holders had made accidental or otherwise unidentified purchases during the sample period. Three of the six were only identified during the audit interviews of</p>

<p>purchase cards during the period April 2021 to August 2021.</p>	<p>which:</p> <ul style="list-style-type: none"> • one was likely a test purchase made by a fraudster before further fraudulent card usage • one was an ongoing subscription on a colleagues personal account • one was an ongoing personal subscription made via a personal PayPal account. The default payment card stored within PayPal is believed to have been changed for a procurement card transaction, and due to an oversight of the card holder this had not been reverted following the purchase. This resulted in existing subscriptions being charged to the purchase card. <p>Seven card holders were found to have used purchase cards on personal online Amazon accounts.</p> <p><i>All agreed actions have now been implemented.</i></p>
<p>CCTV Operation</p> <p>The objective of this audit was to ascertain that the Council's Closed Circuit Television (CCTV) is being operated in such a way as to meet the original objectives and rationale behind their installations, and that no individual or groups of individuals are being put at risk or prejudice.</p>	<p>Limited Assurance – now improved</p> <p>There are no contractual agreements in place for the two key operating systems used for the delivery of the CCTV Service:</p> <ul style="list-style-type: none"> • For capturing and recording the CCTV images; • For moving the CCTVs, although this is due to be replaced with a new system. <p>The absence of formal contract agreements for the system increases the risks that the systems are not adequately supported and that in a situation where there are system failures the CCTV Operation might suffer prolonged delays which otherwise could have been avoided or minimised if there were contracts in place that specified Council's expectations.</p> <p><i>Internal Audit are waiting for evidence of the contract being signed before closing.</i></p>
<p>Accuserv - Repairs Management System</p> <p>The objective of this audit was to evaluate the</p>	<p>Limited Assurance</p> <p>The project to implement AccuServ was started in 2020 and completed in 2021. This was heavily disrupted by the Covid pandemic, however it is also now acknowledged by management to have been poorly controlled. This has been seen throughout this audit with limited evidence of key stakeholder sign-off during the original project and limited</p>

<p>design and test the operating effectiveness of key controls in place for AccuServ, the job management system used to schedule and record repairs carried out by BDMS, relevant to the potential risks for each scope area.</p>	<p>planning for the handover to business as usual. Management has not yet formally learned lessons from this, however improvements to AccuServ have been made and work is underway to improve the operation of AccuServ as part of the more general improvement program for BDMS.</p> <p>There are a number of improvements that still need to be made with not all of the interfaces with AccuServ operating effectively, Business Continuity Planning also needs to be updated to reflect the frequency of back up and prevent loss of information and there is a need for formalisation of some roles within the business as usual structure.</p> <p>We have identified one high risk finding:</p> <ul style="list-style-type: none"> • Interfaces not fully operational – AccuServ is designed to have three interfaces, however currently only one is operating. The one interface that is working is with the Council’s housing system, Open Housing. This interface is currently only one way, however and so any updates made by BDMS have to be put back into Open Housing manually and any houses that are disposed of have been manually removed from the system as the interface does not update for these changes. <p>We have also noted three medium risk findings.</p> <p><i>Agreed action due for completion by August 2022.</i></p>
<p>Brexit and Covid Impacts</p> <p>The objective of this audit was to evaluate the control design and test the operating effectiveness of key controls in place for Risk Management relevant to the potential risks for each scope area.</p>	<p>Limited Assurance</p> <p>The risks associated with Brexit and Covid have been captured as part of the Council’s strategic risk register over the past two years and managed by the central project teams. However, over the past six months the responsibility of monitoring and managing such risks has been transferred to the relevant departments with the expectation that they are managed as part of business as usual (BAU) processes.</p> <p>In order to assess the effectiveness of the management of risks associated with Brexit and Covid disruption at a departmental level, this review looked at the following five departments: HR, Inclusive Growth, Procurement, Adults and Waste Collection. The aforementioned departments were selected due to them being more highly susceptible to Brexit/Covid disruption particularly in relation to cost and staff availability pressures.</p> <p>Whilst we did note some actions being undertaken in each</p>

	<p>department to manage issues/risks related to Brexit/Covid, it was felt that these were undertaken in a reactive manner rather than a proactive approach to identify, monitor and mitigate risks. This may have been due to a lack of a consistent approach being embedded across departments to manage risks. For example, the review identified limited understanding/awareness of the risk appetite of the Council, a lack of a clear approach to maintain risk registers or even a clear approach for reporting risks etc.</p> <p>The review identified two high risk findings:</p> <ul style="list-style-type: none"> • Risk registers not maintained at a departmental level – Central project teams created in the past to manage/monitor Brexit and Covid risks have over the past year been wound down with responsibility for managing these risks transferred to relevant departments as part of their BAU activities. However, the review found there to be an absence of any risk registers being maintained within departments to log and monitor any risks on an ongoing basis. • Limited understanding of the Council’s risk management framework – The Council has a risk management framework in place, however interviews conducted as part of this audit identified that this is not widely understood within the Council. Staff were not able to clearly articulate the risk appetite of the Council, there was a lack of clear accountability for risk management within departments and a lack of a consistent approach to identify, monitor and manage risks. We noted that there is limited understanding of who is responsible for maintaining risk registers, the risk registers that do exist have limited prioritisation of mitigations and there was limited understanding of the process for escalating risks. <p>We also noted one medium risk finding.</p> <p><i>Agreed actions due for completion by September 2022.</i></p>
<p>Mandatory Training</p> <p>The objective of this audit is to determine whether adequate and effective management</p>	<p>Limited Assurance</p> <p>Internal Audit established that policies and procedures are not in place for mandatory training and that requirements for completing and monitoring training are not documented. There is also no formal documented frequency of review for the majority of training courses.</p> <p>It was also established that a number of supervisors and managers were not included on the managers’ training report so were not undertaking an appropriate level of staff</p>

<p>processes and controls for mandatory training are in place, in order to maintain the integrity of the training provision while meeting the Council's requirements.</p>	<p>training. This oversight appears to have occurred as the officers do not appear on the organisational chart because they have limited IT access.</p> <p><i>Agreed actions due for completion by October 2022.</i></p>
<p>HR Temporary Staff</p> <p>The objective of the review was to assess the design and operating effectiveness of the controls in place to ensure that London Borough of Barking and Dagenham achieves value for money whilst ensuring it is safeguarding against all potential, identifiable and insurable risks so as to minimise actual financial loss.</p>	<p>Limited Assurance</p> <p>All temporary roles must be approved by the Workforce Governance Group, chaired by the Chief Executive. The group meets on a bi-weekly basis to approve which posts can and cannot be recruited to as well as to monitor, review and challenge the engagement of all agency staff. Hiring Managers present their business case for each position to the WGG. Our sample testing of 15 temporary agency workers established a business case was in place for six candidates and these were approved by the WGG. However, minutes of the bi-weekly meetings/action points from the WGG highlighting their approval were not available. Additionally, in four cases we were provided with reasonable explanation of why no Business Case was required/applicable. For five of our sample we were not provided with a Business Case and were unable to confirm the rationale for these.</p> <p>Per the Customer Agreement with Adecco, pre-employment checks for temporary workers are completed by Adecco's Auditors. Once a worker's checks have been cleared, Adecco email LBBDD to confirm the worker has passed their checks. The worker can only commence their role once they have cleared the checks. Our sample testing of 15 candidates established a confirmation email from Adecco was in place for 13 out of 15 cases. For the remaining two cases, we were unable to confirm that Adecco had provided confirmation of full completion of pre-employment checks (e.g. Right to work in the UK, references, any relevant qualifications, etc). LBBDD do not review the checks completed by Adecco and they are not provided with the candidates' documents unless they specifically request them. As a consequence, direct assurance is not gained over the nature of the pre-employment checks, such as</p>

	<p>conflicts of interest, right to work, etc. being completed.</p> <p><i>Agreed actions due for completion by October 2022.</i></p>
<p>Public Health</p> <p>The objective of this audit was to assess the design and operating effectiveness of the controls in place to ensure that the London Borough of Barking and Dagenham achieves value for money whilst ensuring it is safeguarding against all potential, identifiable and insurable risks so as to minimise any risks to internally commissioned services within Public Health.</p>	<p>Limited Assurance</p> <p>The post for the Lead Commissioner for Community Solutions has been vacant for the whole financial period, 2021-22. We were informed by the Head of Commissioning that the quality of internally commissioned services within Community Solutions have not been monitored since the post has been vacant.</p> <p>The Head of Programme informed audit that recruitment is taking place for this position but has proven difficult to find an individual with the appropriate skill set and knowledge.</p> <p><i>Agreed actions due for completion by October 2022.</i></p>
<p>Parking Legislation Review</p> <p>The objective of this review was to evaluate the control design and operations of key management controls in place with respect to the design, consultation and implementation of Controlled Parking Zones (CPZs)/ Traffic</p>	<p>Limited Assurance</p> <p>This review identified that a clear and documented process is in place for the development of Controlled parking Zones (CPZ)s/Traffic Management Order (TMO)s schemes. The overall approach has been captured in a document titled ‘CPZ process’, which contains the key steps that are required for the creation of a new CPZ/TMO scheme, running from the design phase, consultation through to implementation. We found that there was a dedicated team for the development and ongoing management of these schemes.</p> <p>Whilst it was clear that a number of expected controls have been implemented as part of the overall process for the development and roll out of schemes, there were still some areas which could be strengthened to improve the overall control environment as set out in the findings section. We</p>

Management Orders (TMOs) as well as the rules relating to vehicle removals and misuse of disabled badges.	<p>identified opportunities to further enhance the recently drafted vehicle removals policy and ensure this and the yet to be updated disabled badge misuse policy are easily accessible by relevant Council staff and the wider public.</p> <p>We identified one high risk rated finding:</p> <ul style="list-style-type: none"> Lack of benefits realisation activities – At present there is no clear process/procedure in place for undertaking a review of benefits realisation post implementation of schemes. This means there is no assessment of whether schemes are effective or represent value for money. <p><i>Agreed action due for completion by September 2022.</i></p>
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A critical risk is defined as requiring immediate and significant action. A high risk is defined as requiring prompt action to commence as soon as practicable where significant changes are necessary. Management are expected to implement all critical and high-risk recommendations by the agreed target dates. Internal Audit tracks management progress by way of a chase up or follow up to the audit client accordingly. Slippage in implementing agreed actions does occur and requires management to instigate revised targets and consider ways to mitigate the identified risks.

The following table summarises the critical and high risk findings that have been reported, implemented, were outstanding and were beyond their due date:

	Reported	Implemented	Outstanding	Beyond due date
2019/20	34	32	2	0
2020/21	21	18	3	3
2021/22	29	12	17	0
Total:	84	62	22	3

The progress in implementing the high-risk recommendations overdue as at 8 July 2022 has been reported in the following table:

Finding	Agreed Action	Latest progress as reported by management
Tenant & Leaseholder Act Requirements – Limited Assurance		
Audit was informed, as supported by the internal	Management should review all the debts as a	A review of the debt has been undertaken and a

<p>review of major works by Management, that across the 2013 to 2018 financial years over £5m could be written off due lack of consultation or evidence of consultation with Leaseholders.</p>	<p>matter of priority to determine those that could be recovered and those that should be written off and get them approved by the appropriate staff with delegated authority in accordance with the Council's Scheme of Delegation for write-offs.</p> <p>Agreed Date: March 2021</p>	<p>report to SMT issued for a decision on proposed write off.</p> <p>A new Home Ownership Manager has now been appointed and is tasked with addressing this by the revised date.</p> <p>Revised Date: October 2022</p>
<p>There is currently no performance indicator for the recovery of debts relating to Section 20 major works.</p>	<p>Adequate controls should be implemented over the recovery arrangements for Section 20 major works for Leaseholders and KPIs should be set to measure the level and value of recovery.</p> <p>Agreed Date: March 2021</p>	<p>A new Home Ownership Manager has now been appointed and is tasked with addressing this by the revised date.</p> <p>Revised Date: October 2022</p>
<p>Open Housing System – improved to Reasonable Assurance</p>		
<p>The Council recently changed the Hosting Platform from Agilisys Private Cloud to Microsoft Public Cloud making all previous processes relating to business continuity (BC) and disaster recovery (DR) Null and Void.</p> <p>The change in platform means that the Council's BC Plan needs to be re-written, re-create the DR Plan and</p>	<p>Management should work with the Council's IT Operation Team to ensure that the BC&DR Plans are documented and finalised.</p> <p>The plans should be tested, incorporating the Open Housing Suite System, as part of the business critical system.</p> <p>A copy of the test results should be provided showing issues</p>	<p>A DR system is now in place from Microsoft called Azure Site Recovery that takes a snapshot of the running system and stores it in a vault at a secondary site</p> <p>BCP testing for a cyber attack is currently underway and IA have therefore accepted a further revised date to incorporate this work.</p> <p>Revised Date: September 2022</p>

test them to know their effectiveness.	<p>identified and how they were resolved.</p> <p>Plans should then be tested regularly but at least on an annual basis.</p> <p>Agreed Date: 31 July 2021</p>	
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Audits of Schools

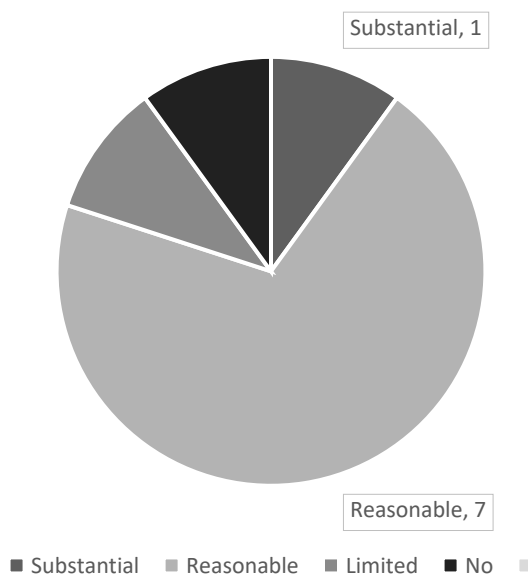
Schools within the Borough are audited on a risk basis. The audits of schools are fully outsourced to Mazars, one of the Council's Internal Audit co-source providers, following the initial Risk Assessment by the Head of Assurance.

The objective of these audits is to ensure that the schools have adequate and effective controls with regards to the financial management and Governance of the school.

The table below sets out the results of Mazars 2021/22 Internal Audit work auditing 10 schools:

School	Opinion	Number of findings			
		Critical	High	Medium	Low
Five Elms Primary School	Limited	0	1	1	1
Furze Infants School	Reasonable	0	0	2	2
Gascoigne Primary School	Substantial	0	0	1	1
Godwin Primary School	Reasonable	0	0	2	1
Parsloes Primary School	Reasonable	0	0	4	0
Trinity School (Special)	Reasonable	0	0	2	3
Valence Primary School	Reasonable	0	0	2	2
Village Infants School	Reasonable	0	0	3	1
Warren Junior School	Reasonable	0	0	1	2
Five Elms Primary School	No	0	6	5	7
Prior Year Follow-up Work	N/A	-	-	-	-
TOTAL:		0	7	23	20

2021/22 audit of schools - report classifications



We issued one “No Assurance” school report in the year as follows:

Title	Summary of findings <i>and current progress to address reported high-risk findings</i>
<p>William Ford Junior School</p> <p>The objective of this audit was to ensure that William Ford Junior School has adequate and effective controls with regards to the financial management and governance of the school.</p>	<p>Internal Audit were concerned by the apparent absence of key financial records and governance related information. Urgent action is needed to re-establish an effective audit trail at the school and investigate the areas identified to confirm control processes have been followed, and restore functions where needed.</p> <p>Management Organisation - a key area of improvement in an independent review of governance was around governor training and development. However, it was noted that this training has been pushed back on numerous occasions by the governors meaning the training has not yet been completed. There were also attendance issues at some committee meetings, for example those of the pay committee where meetings had taken place at weekends and without the presence of a clerk nor the Headteacher.</p> <p>Staffing - there had been two instances of overpayments and concerns around the payroll provider. The interim SBM was only able to provide audit with the most recent month's payroll report.</p> <p>No payroll reports were provided for Internal Audit reference prior to September 2021.</p>

7. Internal Audit Performance

Purpose	Target	Performance & RAG Status	What it measures
Output Indicators (Efficiency)			
% of 2021/22 Audit Plan completed (Audits at draft report stage)	>25% by 30/09/21	20% - AMBER	Delivery measure
	>50% by 31/12/21	45% - AMBER	
	>80% by 31/03/22	83% - GREEN	
	100% by 31/05/22	98% - AMBER	
Meet standards of Public Sector Internal Audit Standards	Substantial assurance or above from annual review	Confirmed * - GREEN	Compliant with professional standards
Outcome Indicators (Effectiveness - Adding value)			
High Risk Recommendations not addressed within timescales	<5%	8% - AMBER	Delivery measure
Overall Client Satisfaction	> 85% satisfied or very satisfied over rolling 12-month period	100% - GREEN	Customer satisfaction

* Internal Audit for 2021/22 was being provided by a combination of the in-house team, Mazars LLP and PwC LLP. All teams have confirmed ongoing compliance with the Public Sector Internal Audit Standards.

Quality and improvement programme

Internal Audit quality has been maintained through adequate supervision and review processes in the year.

Quality and consistency has been improved through use of revised Terms of Reference and report templates and stability has been achieved through the appointment of a permanent Audit Manager.

Plans are in place to further strengthen quality in 2022/23 particularly through recruitment to the in-house team and the establishment of a London-wide Internal Audit Pathway for trainees.

8. Appendices

1: Limitations inherent to the Internal Auditor's work

We have undertaken internal audit subject to the following limitations:

- **Internal control:** Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overruling controls and the occurrence of unforeseeable circumstances.
- **Future periods:** Our assessment of controls is for the period specified only. Historic evaluation of effectiveness is not relevant to future periods due to the following risks:
 - The design of controls may become inadequate because of changes in operating environment, law, regulation or other changes.
 - The degree of compliance with policies and procedures may deteriorate.

Responsibilities of management and Internal Auditors

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

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

Opinion

My opinion is based solely on the work undertaken as part of the agreed Internal Audit plan and agreed changes thereto. There might be weaknesses in the system of internal control that we are not aware of because they did not form part of our programme of work, were excluded from the scope of individual internal audit assignments or were not brought to our attention. As a consequence, management and the Audit & Standards Committee should be aware that our opinion may have differed if our programme of work or scope for individual reviews was extended or other relevant matters were brought to our attention.

2: Opinion types

The table below sets out the types of opinion that I have considered, along with an indication of the types of findings that may determine the opinion given. I apply my judgement when determining the appropriate opinion, so the guide given below is indicative rather than definitive.

Opinion	Indication of when this type of opinion may be given
Satisfactory	<ul style="list-style-type: none"> • A limited number of medium risk rated weaknesses may have been identified, but generally only low risk rated weaknesses have been found in individual assignments; and • None of the individual assignment reports have an overall report classification of either high or critical risk.
Generally satisfactory with some improvements required	<ul style="list-style-type: none"> • Medium risk rated weaknesses identified in individual assignments that are not significant in aggregate to the system of internal control; and/or • High risk rated weaknesses identified in individual assignments that are isolated to specific systems or processes; and • None of the individual assignment reports have an overall classification of critical risk.
Major improvement required	<ul style="list-style-type: none"> • Medium risk rated weaknesses identified in individual assignments that are significant in aggregate but discrete parts of the system of internal control remain unaffected; and/or • High risk rated weaknesses identified in individual assignments that are significant in aggregate but discrete parts of the system of internal control remain unaffected; and/or • Critical risk rated weaknesses identified in individual assignments that are not pervasive to the system of internal control; and • A minority of the individual assignment reports may have an overall report classification of either high or critical risk.
Unsatisfactory	<ul style="list-style-type: none"> • High risk rated weaknesses identified in individual assignments that in aggregate are pervasive to the system of internal control; and/or • Critical risk rated weaknesses identified in individual assignments that are pervasive to the system of internal control; and/or

	<ul style="list-style-type: none"> • More than a minority of the individual assignment reports have an overall report classification of either high or critical risk.
<p>Disclaimer opinion</p>	<ul style="list-style-type: none"> • An opinion cannot be issued because insufficient internal audit work has been completed. This may be due to either: <ul style="list-style-type: none"> - Restrictions in the audit programme agreed with the Audit Committee, which meant that our planned work would not allow us to gather sufficient evidence to conclude on the adequacy and effectiveness of governance, risk management and control; or - We were unable to complete enough reviews and gather sufficient information to conclude on the adequacy and effectiveness of arrangements for governance, risk management and control.

3: Definition of risk categories and assurance levels

Risk rating	
<p>Critical</p> <p>●●</p>	<p>Immediate and significant action required. A finding that could cause:</p> <ul style="list-style-type: none"> • Life threatening or multiple serious injuries or prolonged work place stress. Severe impact on morale & service performance (e.g. mass strike actions); or • Critical impact on the reputation or brand of the organisation which could threaten its future viability. Intense political and media scrutiny (i.e. front-page headlines, TV). Possible criminal or high profile civil action against the Council, members or officers; or • Cessation of core activities, strategies not consistent with government's agenda, trends show service is degraded. Failure of major projects, elected Members & Senior Directors are required to intervene; or • Major financial loss, significant, material increase on project budget/cost. Statutory intervention triggered. Impact the whole Council. Critical breach in laws and regulations that could result in material fines or consequences.
<p>High</p> <p>●</p>	<p>Action required promptly and to commence as soon as practicable where significant changes are necessary. A finding that could cause:</p> <ul style="list-style-type: none"> • Serious injuries or stressful experience requiring medical many workdays lost. Major impact on morale & performance of staff; or • Significant impact on the reputation or brand of the organisation. Scrutiny required by external agencies, inspectorates, regulators etc. Unfavourable external media coverage. Noticeable impact on public opinion; or • Significant disruption of core activities. Key targets missed, some services compromised. Management action required to overcome medium-term difficulties; or • High financial loss, significant increase on project budget/cost. Service budgets exceeded. Significant breach in laws and regulations resulting in significant fines and consequences.
<p>Medium</p> <p>●</p>	<p>A finding that could cause:</p> <ul style="list-style-type: none"> • Injuries or stress level requiring some medical treatment, potentially some workdays lost. Some impact on morale & performance of staff; or • Moderate impact on the reputation or brand of the organisation. Scrutiny required by internal committees or internal audit to prevent escalation. Probable limited unfavourable media coverage; or • Significant short-term disruption of non-core activities. Standing orders occasionally not complied with, or services do not fully meet needs. Service action will be required; or • Medium financial loss, small increase on project budget/cost. Handled within the team. Moderate breach in laws and regulations resulting in fines and consequences.
<p>Low</p> <p>●</p>	<p>A finding that could cause:</p> <ul style="list-style-type: none"> • Minor injuries or stress with no workdays lost or minimal medical treatment, no impact on staff morale; or

	<ul style="list-style-type: none"> • Minor impact on the reputation of the organisation; or • Minor errors in systems/operations or processes requiring action or minor delay without impact on overall schedule; or • Handled within normal day to day routines; or • Minimal financial loss, minimal effect on project budget/cost.
Level of assurance	
Substantial ●	There is a sound control environment with risks to key service objectives being reasonably managed. Any deficiencies identified are not cause for major concern. Recommendations will normally only be Advice and Best Practice.
Reasonable ●	An adequate control framework is in place but there are weaknesses which may put some service objectives at risk. There are Medium priority recommendations indicating weaknesses, but these do not undermine the system's overall integrity. Any Critical recommendation will prevent this assessment, and any High recommendations would need to be mitigated by significant strengths elsewhere.
Limited ●	There are a number of significant control weaknesses which could put the achievement of key service objectives at risk and result in error, fraud, loss or reputational damage. There are High recommendations indicating significant failings. Any Critical recommendations would need to be mitigated by significant strengths elsewhere.
No ●	There are fundamental weaknesses in the control environment which jeopardise the achievement of key service objectives and could lead to significant risk of error, fraud, loss or reputational damage being suffered.

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AUDIT AND STANDARDS COMMITTEE**20 July 2022**

Title: Counter Fraud Annual Report 2021/22	
Report Author: Kevin Key, Counter Fraud & Risk Manager	Contact Details: Tel: 020 8227 2850, E-mail: kevin.key@lbbd.gov.uk
Wards Affected: None	Requires formal Member-level approval: No
Accountable Director: Philip Gregory, Chief Financial Officer	
Accountable Strategic Leadership Director: Fiona Taylor, Chief Executive	
Summary: This report brings together all aspects of counter fraud work undertaken to date during 2021/22. The report details progress to 31 March 2022.	
Recommendation: Assurance Board is asked to note the contents of the report.	

1. Summary of counter fraud work undertaken for Quarter 4 2021/22

1.1 The tables below indicate the level of work completed in the two separate areas for which the team are responsible: Housing Investigation and Corporate Fraud.

2. Corporate Fraud Activity including Whistleblowing

2.1 The update on corporate fraud activity for quarter 4, along with the annual totals, is set out below. The team receives many referrals throughout each quarter and log and assess each case independently. A decision is then taken as to what the best course of action is to deal with the referral. This means either the team will open an investigation, refer to another service block of the council or arrange for the matter to be referred to a specific manager for action.

2.2 Quarter 4 2021/22 Fraud referrals incl. whistleblowing

	20/21 Total	21/22 Total	Q4
Cases Outstanding from last quarter			11
Referrals received in Period	178	198	36
Cases accepted for investigation	33	50	12
No further Action after initial review/already known	37	46	5

Referred to other service block within LBBB	108	102	19
DPA, FOI or other information provided	61	30	5
Cases closed following investigation	33	42	6
Ongoing Corporate Fraud Investigations:			17

2.3 For 2021/22 the recording remains an accurate representation of the work undertaken, outlining a true reflection of what action is being taken on every referral received. We also still report on all referrals made directly to the Police and/or Action Fraud.

2.4 The referrals received relate to the number of cases that are sent through to the Fraud email inbox or where contact is made directly with members of the team. All contact is logged and assessed accordingly. Considering the scope of what could be considered fraud, many referrals are sent through in the belief that fraud has been committed, but following assessment found to be incorrectly sent to us.

We receive requests that relate specifically to CCTV, Subject Access, Freedom of Information and Data Protection as well as referrals relating to Housing Benefits, Council Tax, Department for Work & Pensions, Complaints, Parking Enforcement, Housing services, noise nuisance, Housing Association properties, Planning, Private Sector Licencing, Police matters and Trading Standards. If there is a possible consideration of fraud we are likely to have received a referral either via email or phone.

2.5 Outcomes – Quarter 4 and yearly totals

	20/21 Total	21/22 Total	Q4
Recommended for disciplinary/ New cases as a result	4	4	0
Referred for Management action	21	11	0
No fraud/No further action	5	19	4
Referred to Police/Action Fraud/Covid Fraud	3	8	2

3. Summary of Quarter 4 key issues

3.1 Quarter 4 saw the team's first criminal prosecution since directly funding a Solicitor to support the team's casework. In January 2020, council officers received information that Mr J.G. was not living at his two-bedroom flat at Colne House, Barking. Mr G. previously obtained a council tenancy in 2007 at Howard Road, Barking, before switching to the flat in question in July 2019. Initial enquiries from council officers quickly established Green's links to West Yorkshire and it soon came to light that he had secured alternative accommodation with Wakefield District Council. Council officers finally tracked down Mr G. and in an interview under caution he admitted that he had never moved into Colne House or indeed even held the keys. The case went to Barkingside Magistrates Court on Tuesday 18 January 2022 where Mr G. pleaded guilty to one offence under the Prevention of Social Housing Fraud Act

2013 and two offences under the Fraud Act 2006. He was sentenced to a 12-month Community Order of 200 hours of unpaid work, given a £2,800 unlawful profit order, ordered to pay costs of £800 to Barking and Dagenham Council and a £95 Victim Surcharge, totalling £3,695.

- 3.2 The team recovered a further 2 properties in the quarter, bringing the annual total to 6 properties brought back to the council to be re-let.
- 3.3 The team was provided extra funding within the year to allow us to add a Senior Investigator to the group. This supervisory role has added capacity to investigate more involved frauds as well as provide more day-to-day support for the other investigators within the team.
- 3.4 The full transfer to a new case management system was completed during the year. This has massively improved the team's ability to log and monitor casework and ensure a consistent approach, as well as securing all data in line with Data Protection regulations.
- 3.5 The team provided Toolbox talks to staff based at Frizlands and Creek Depots. The focus was on ensuring staff were aware of the council policies aligned to Fraud and ensuring all staff were aware of the consequences of not following the guidance.

4. Regulation of Investigatory Powers Act

- 4.1 The Regulation of Investigatory Powers Act regulates surveillance powers, thus ensuring robust and transparent frameworks are in place to ensure its use only in justified circumstances. It is cited as best practice that Senior Officer and Members maintain an oversight of RIPA usage.
- 4.2 The last inspection of RIPA was undertaken by the Investigatory Powers Commissioner's Office in April 2020. The report was favourable, and all recommendations have been implemented.
- 4.3 Training was also provided to over 90 staff and managers, across all service blocks, at the beginning of the year to ensure as many people were aware of RIPA and the processes we have in place regarding this. By providing this up-to-date training, the expectation is in place that for any use of covert surveillance, RIPA should be considered.
- 4.4 The current statistics are set out below following review of the central register, held by the Counter Fraud & Risk Manager. As per previous guidelines, RIPA authority is restricted only to cases of suspected serious crime and requires approval by a Magistrate.
 - (a) Directed Surveillance
The number of directed surveillance authorisations granted during Quarter 4, January – March 2022, and the number in force on 31 March 2022

Nil granted. Nil in Force.

(b) Communications Information Requests

The number of authorisations for conduct to acquire communications data during Quarter 4, January – March 2022.

Nil granted. Nil in force.

5. Housing Investigations

5.1 Members are provided specific details on the outcomes from the work on Housing Investigations. For 2021/22, outcomes are set out below.

5.2 2021/22 Quarter 4 Housing Investigations

Caseload	20/21 Total	21/22 Total	Q4
Open Cases brought forward			19
New Cases Added	101	156	59
Cases Completed	96	139	42
Open Cases			36

On Going Cases - Legal Action	Q4
Notices Seeking Possession/NTQ served	0
No of Cases – Recovery of property	2

Outcomes - Closed Cases	20/21 Total	21/22 Total	Q4
Convictions	0	1	1
Properties Recovered/Formal Warning given	5	6/1	2/1
Successions Prevented & RTB stopped/agreed	41	41	16
Savings (FTA, SPD CTax, RTB, Decant)	£502,900	£444,639	£219,039
Other Potential Fraud prevented/passed to appropriate service block incl Apps cancelled	22	42	15
No further action required/insufficient evidence	28	37	7

5.3 In addition to the above other checks are routinely carried out and information provided to others. Below is an indication of the level of work undertaken.

	20/21 Total	21/22 Total	Q4
Data Protection Requests	27	30	5
Education Checks	416	371	50
Right to Buy initial checks	146	258	37

(Data Protection Requests are received from other local authorities, the police, and outside agencies and responses provided in accordance with GDPR. Education checks relate to assisting admissions in locating children or families to free up school places or confirm occupancy and RTB checks are the early-stage checks undertaken to ensure occupancy and the legitimate tenant/s are entitled to continue with the RTB process to purchase their property).

6. Financial Issues

6.1 The team is fully funded and there are no financial implications impacting on this report.

7. Legal Issues

7.1 The Accounts and Audit (England) Regulations 2015 section require that: a relevant authority must ensure that it has a sound system of internal control which—facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk.

7.2 Furthermore the Director of Finance has a statutory duty, under Section 151 of the Local Government Act 1972 and Section 73 of the Local Government Act 1985, to ensure that there are proper arrangements in place to administer the Council’s financial affairs.

7.3 Counter Fraud practices set out in this report address the need to counter fraud, money laundering, bribery and the proceeds of crime. The Councils policies guide on the investigatory and prosecution process. In formulating the policies it addresses the issue of corruption and bribery. Corruption is the abuse of entrusted power for private gain. The Bribery Act 2010 defines bribery as “the inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages whether monetary or otherwise”.

7.4 The Local Government Act 1972 provides the Council with the ability to investigate and prosecute offences committed against it. We will enhance our provision further by making best use of existing legislation, for example the Proceeds of Crime Act 2002, to ensure that funds are recovered, where possible by the Council.

8. Other Implications

8.1 **Risk Management** – Counter Fraud activity is risk-based and therefore supports effective risk management across the Council.

8.2 No other implications to report

Public Background Papers Used in the Preparation of the Report:

- None

List of appendices:

- None

Audit and Standards Committee

20th July 2022

Title: Information Governance Annual Report	
Report of the Chief Operating Officer	
Open Report	For Information
Wards Affected: None	Key Decision: No
Report Author: Danielle Bridge Complaints and Information Manager	Contact Details: Tel: 020 8277 2111 E-mail: Danielle.Bridge@lbbd.gov.uk
Accountable Director: Natalia Monvoisin; Head of Customer Contact	
Accountable Strategic Leadership Director: Judith Greenhalgh Strategic Director Community Solutions	
<p>Summary</p> <p>This report is produced on an annual calendar year basis and provides data from January – December 2021 and provides insight into the work undertaken by the Customer Feedback Team. It incorporates information relating to complaints, members casework, Freedom of Information (FOI) and Subject Access Requests (SAR).</p> <p>It also aims to detail how as a council we perform against our performance targets in relation to complaints and members casework and how after reviewing them we identify and implement service improvements.</p> <p>Legislation dictates that an annual report is separately developed and published for Care and Support.</p>	
<p>Recommendation:</p> <p>The Audit and Standards Committee is asked to note and comment on the contents of the report.</p>	

1. Introduction and Background

- 1.1 The Customer Feedback Team are responsible for monitoring and tracking all complaints, members casework, Freedom of Information and Subject Access Requests which are submitted. This report focuses on complaints and members casework as this is where we can gather the most insight into how we can continually improve our services delivered to residents and members.

- 1.2 All casework is tracked on the Council's complaints handling system I-Casework. This system was implemented in January 2016.
- 1.3 The council has a number of information governance processes which are managed by the Customer Feedback Team. The four main processes are set out below providing timescales and expected performance:

Complaints – The Council encourages complaints and has a corporate process which allows residents to raise concerns. This process has two stages, in the first stage, which many raise through our online form, we aim to respond within 10 working days.

If a complainant is not satisfied with the answer, they receive at stage one they may within 28 days of the response ask for a review. The aim is to respond to a request for a review within 30 working days and if this target cannot be met a progress report will be sent.

If the complainant is still not satisfied with the response they can approach the Ombudsman or the Housing Ombudsman Service if the complaint is about housing.

The performance target for all complaints is currently to answer 90% within the timeframes described.

In addition to this process, there are certain services where there is a statutory complaints process that has to be followed and these are for complaints regarding:

- Adult social care services
- Children's social services
- Schools
- Councillors
- Reports of fraud

Members Casework – Both elected members of parliament and councillors can submit casework from their residents. This casework has a 10-working day target for a response. The performance target for response is currently 90% within this time frame.

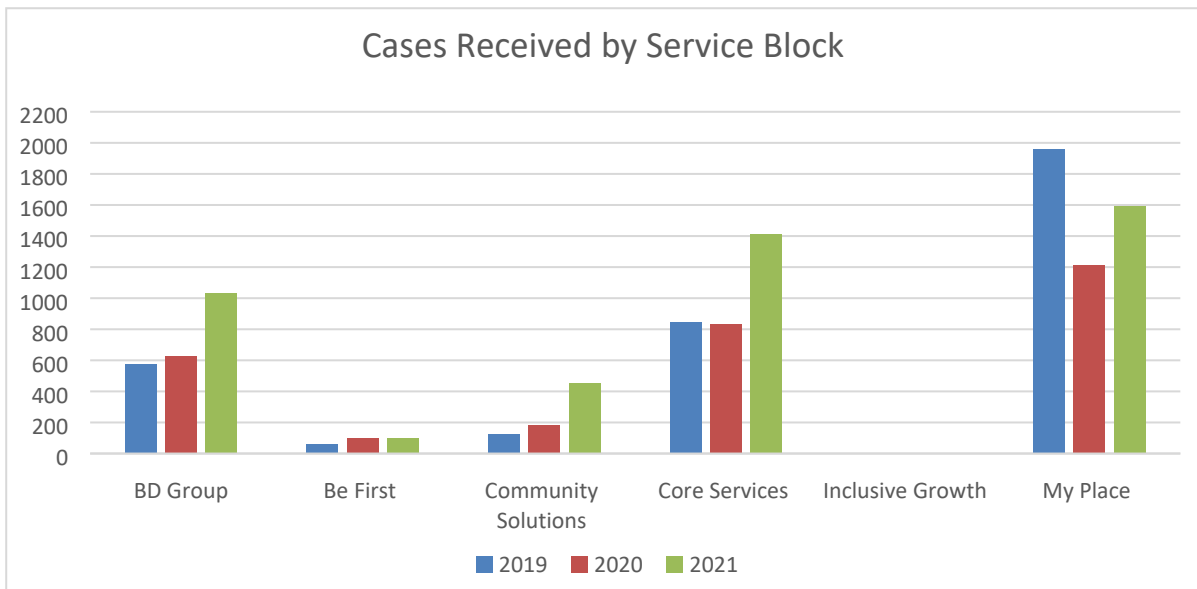
Freedom of Information/Environmental Information Regulations – Under the Freedom of Information Act, the council must make available to applicants' information which is held. This Act does allow for the council, if necessary, to apply exemptions to certain requests. The timeline for dealing with requests is currently 20 working days. The performance target for FOI's and EIR's is set by the Information Commissioners Office, and they currently expect that 95% of requests are dealt within these time frames.

Subject Access Requests – Under the General Data Protection Regulations the council have to allow for any information which is held on a person to be made available to them upon request. Once a request is received, we have one calendar month to provide all relevant information. The performance target for SAR's is 90% within this timeframe.

2. Corporate Complaints

- 2.1 Whilst reviewing the data which is included in this report it is important to note the number of services we provide to our residents and consider the number of complaints alongside this information. For example, we pick up 77,136 bins per week and this generated 581 complaints over the year. This translates to only 1.1% **of workload** generating complaints.
- 2.2 The data below shows complaints received by service area. This does not include Care and Support; legislation dictates that separate annual reports are developed and published for these services.
- 2.3 The number of complaints increased significantly (+55%) in 2021 vs. 2020, comparing data to 2019 vs 2021 also shows an increase of 29% although this is concerning, a large part of this increase could be associated to the Covid-19 pandemic, where at the height of the pandemic in 2020 residents were less likely to contact us and to make dissatisfaction known. This period seemed to have ushered in a new breed of “sympathetic customer” – though this has proved to be a temporary phenomenon. Research conducted by the LGO cited: “As consumers we realise that companies are having to cope with an extraordinary array of challenges due to the pandemic and lockdown. It appears that this awareness has made us more tolerant of problems and delays, more patient, more understanding – and much less likely to complain”.
- 2.4 73% of complaints were answered within timescale. This is below the corporate target of 90%

	2019	2020	2021
BD Group	574	625	1033
Be First	64	99	100
Community Solutions	123	181	454
Core Services	845	835	1414
Inclusive Growth	2	6	6
My Place	1,958	1,216	1,595
Total	3,566	2,962	4,602



2.5 The table below shows the outcome for each complaint received which has been responded to. Upheld complaints provide a good basis for us to consider how we can improve services offered. You will note that the figures below differ from our overall complaints total. This is due to a small number of complaints remaining open and therefore no outcome can be provided.

Outcomes from Complaints		
Upheld	1659	36%
Not Upheld	1582	34%
Partly Upheld	930	20%
Resolved at first point of contact	25	0.5%
Withdrawn	226	5%
TOTAL	4422	

2.6 In 2020, we upheld 50% of complaints whilst this year we have further decreased this figure to 36%. When we consider the increase of complaints being over 50% year on year, decreasing our upheld rate is positive, showing we are driving continuous improvement whilst balancing large volume increases.

2.7 It should also be noted that 19% of the complaints which are submitted relate to our Refuse Service. As these relate to missed bin collections, in the main they are upheld unless we have sufficient evidence to suggest that the missed collection was due to a resident fault. Of the 1659 upheld complaints 624 are missed bins, meaning only 1,035 complaints have been upheld against other services.

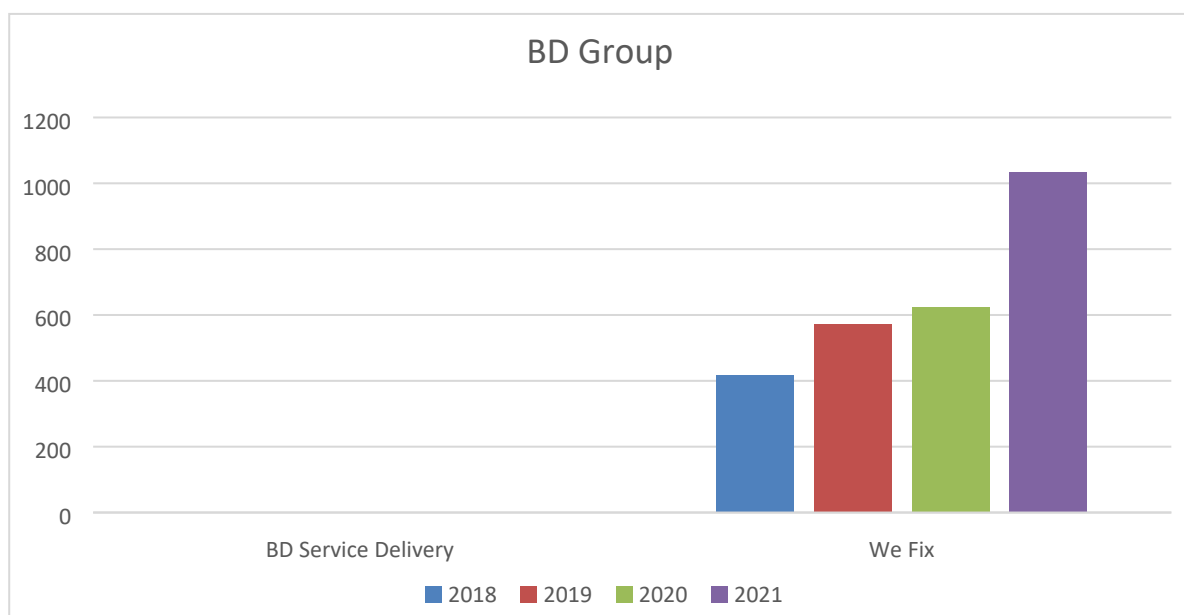
Service Block	% Of upheld cases
BD Group	24%
Be First	1%
Community Solutions	6%
Core Services	19%
Inclusive Growth	0.06%
My Place	50%

2.8 The Local Authority continue to strive to learn from the complaints data and as part of this we have set up improvement meetings with our key service areas in which

we receive a high level of complaints. One example of this is our meetings which are held with our partners BD Group. This is focusing on learning from complaints and turning this learning into service improvements, for example BD Group have implemented an internal tracker which is considering all aspects of a complaint and the root causes for the complaint being raised. This key information is being used to track key service areas which are generating high levels of complaints compared against the others. So that focus and attention can be given to improve the journey our residents have to take.

3. BD Group

Stage 1 Complaints Received BD Group		
	2020	2021
BD Service Delivery	0	0
We Fix	625	1,033
Total	625	1,033



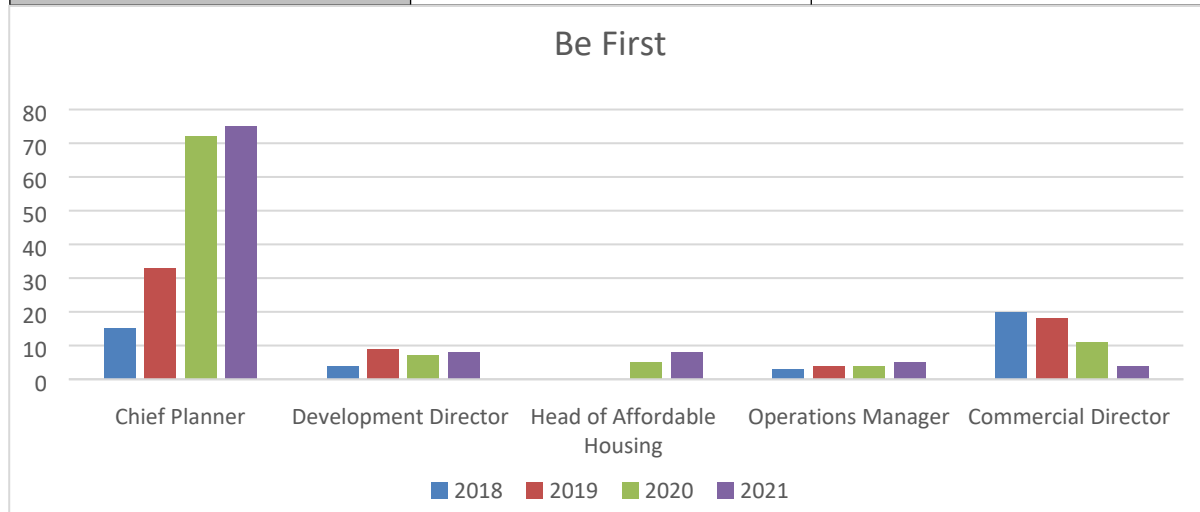
3.1 BD Group offers paid services to schools including catering and cleaning as well as repairs and maintenance. We Fix undertakes housing repairs for the council's housing stock.

3.2 When we consider the complaints which are submitted by our residents there are several themes which are prominent; delays in appointments occurring, follow on works not been scheduled and dissatisfaction with the works undertaken. These themes remain consistent year on year and in our development work with BD Group these concerns remain a topic of conversation into how we can address these using the tools we have in place currently but considering also what steps need to be taken to ensure these themes are addressed fully. An example of the positive work undertaken was the drive to employ more multi-skilled tradespeople who can attend jobs and undertake more than one service allowing for jobs to be completed faster. BD Group have this year gone through a change in structure including the hiring of a Customer Liaison Manager who is specifically looking at complaints data and trends and providing insight into how services can manage better.

- 3.3 We remain aware that there are jobs outstanding which have been brought to the attention of the Local Authority by residents. BD Group are addressing these via regular monitoring and seeking support from contractors to assist with undertaking works. Review of the workforce has also been ongoing with BD Group hiring operatives who can continue to address jobs as they are raised. We should also note that due to the Pandemic certain materials required were difficult to source which has further impacted on timescales.
- 3.4 The council does not record complaints which relate to the other services provided by the rest of the BD Group.
- 3.5 Of those complaints received for We Fix 67.8% were completed within timescale.
- 3.6 In terms of case outcomes, 20.8% were not upheld, 30.9% partly upheld, 38.3% upheld and 4.1% withdrawn.

4. Be First

Stage 1 Complaints Received Be First		
	2020	2021
Chief Planner	72	75
Development Director	7	8
Head of Affordable Housing	5	8
Operations Manager	4	5
Commercial Director	11	4
Total	99	100

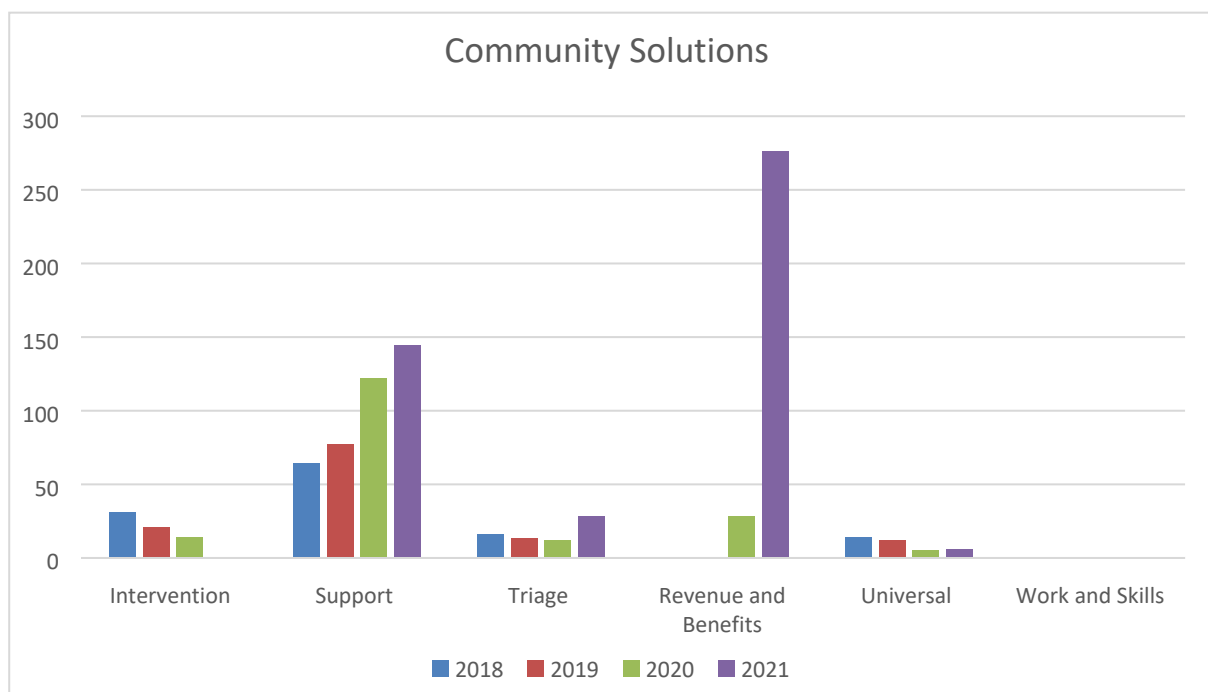


- 4.1 Be First offers a range of services including Building Control, Planning Applications, Regeneration of Council Stock and Regeneration of the Local Area.
- 4.2 The main issue which reported is delays within Building Control and functional problems with the Planning Portal.
- 4.3 Chief Planner by a significant number continues to bring the most complaints for Be First as they deal with residents directly for both submission of plans but also objections to planning applications.

- 4.4 We are aware that significant process improvement is required concerning how defects are managed post the 12-month period to ensure issues are resolved in a timely manner with minimal impact on the residents.
- 4.5 Of the complaints received for Be First 65% were answered within timescale.
- 4.6 36% were not upheld, 11% partly upheld, 19% upheld, and 11% withdrawn.

5. Community Solutions

Stage 1 Complaints Received Community Solutions		
	2020	2021
Intervention	14	0
Support	122	144
Triage	12	28
Revenue and Benefits	28	276
Universal	5	6
Work and Skills	0	0
Total	181	454

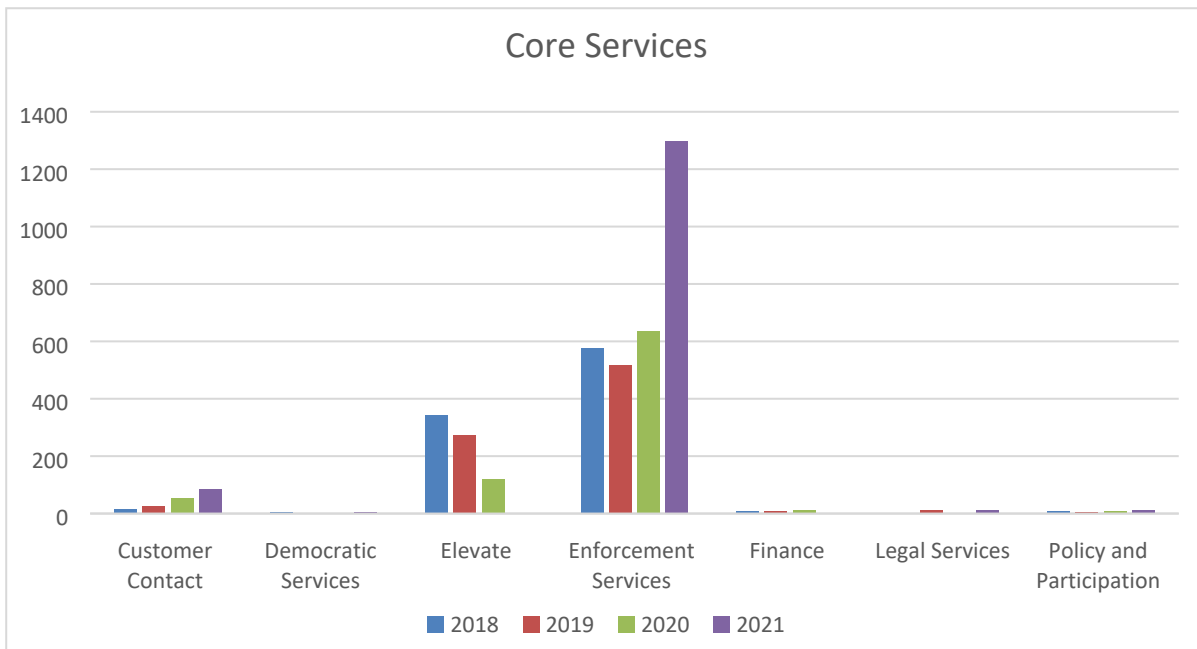


- 5.1 Community Solutions offers a range of services for our residents including maintaining housing allocations, tenancy sustainment, early intervention services and the Home and Money Hub which offers valuable advice and support to those residents who require financial assistance.
- 5.2 Anti-Social Behaviour complaints rose significantly during the second phase of lockdowns and because of this Community Solutions officers worked with Core Service officers reviewing the offer and process for ASB concerns. This has led to the development of a specific team to assist and triage these issues. The lockdowns also brought a similar level of requests for the Housing Allocations Service with requests for moves to suitable properties.

- 5.3 There are several reasons for the spike in complaints for Revenues and Benefits from 2020-2021; In 2021 Revenues and Benefits were fully integrated into the Council from Elevate. Additionally, the change in support via various grants and legislation under Covid 19 being withdrawn meant more contact was being made. For example, the ability to apply for furlough officially ended in September 2021 meaning residents regardless of working status were receiving no additional funds but were still expected to pay council tax and rent, understandably levels of dissatisfaction rose during this period.
- 5.3 Tenancy sustainment relates to Anti-Social Behaviour between neighbours, residents complain that when issues are reported they are not dealt with as they would like.
- 5.4 Housing allocations and the time taken to get allocated is an ongoing theme and in the main relates to the wait for appropriate housing. Those who are applicable to bid for housing will raise concerns that when bidding they are not being successful and complain that they are having to wait extended periods of time.
- 5.5 Of those complaints received within Community Solutions 80.1% were answered within timescale.
- 5.6 In terms of case outcomes 45.8% were not upheld, 16.9% partly upheld, 21.5% upheld, 1.5% resolved at first point of contact and 9.2% withdrawn.

6. Core Services

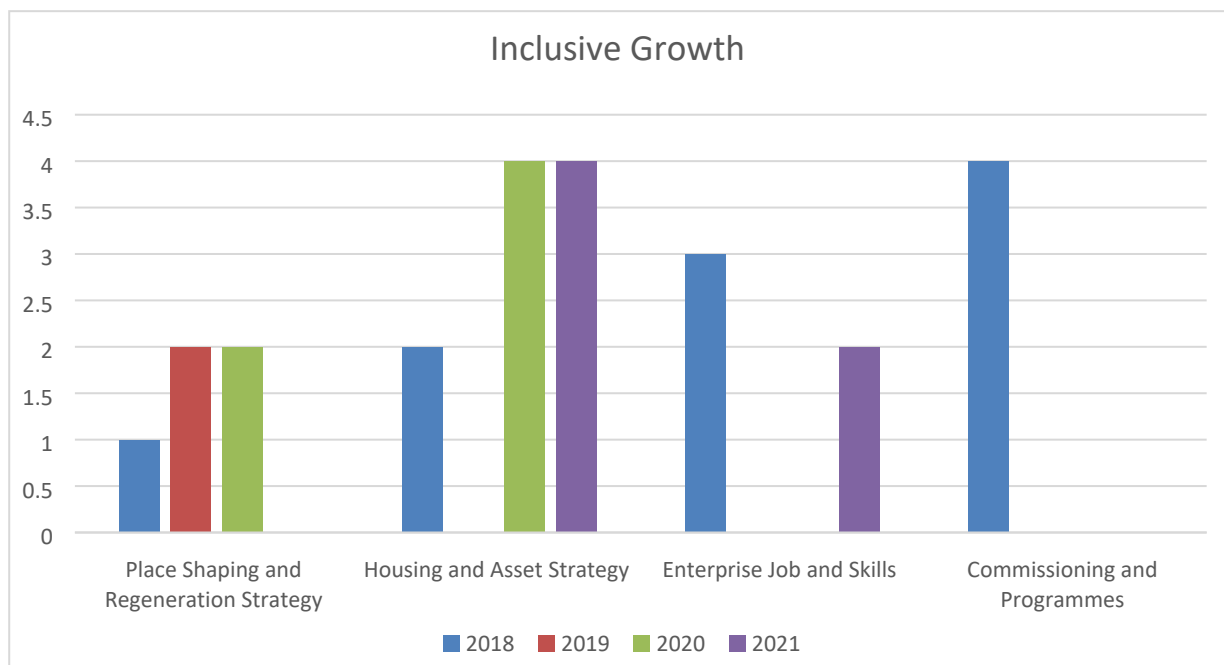
Stage 1 Complaints Received Core Services		
	2020	2021
Customer Contact	55	85
Democratic Services	0	6
Enforcement Services	635	1298
Finance	13	1
Legal Services	3	13
Policy and Participation	9	11
Total	835	1,414



- 6.1 Core Services is a grouping of services which provide several essential services to our residents including parking and street enforcement.
- 6.2 Core Services maintain the contract for our leisure centres and residents are directed to submit complaints about these individual services to the centres directly.
- 6.3 Year on year that Enforcement Services are generating the largest number of complaints. This is not surprising due to the number of services housed under this directorate, dealing with issues relating to parking, street enforcement and private sector housing. In 2021 we are reporting an increase of 104.4%.
- 6.4 Parking Services have dealt with 74% of all complaints for Enforcement Services which is a substantial % for one service area. We are aware that Parking is always going to be a large generator of dissatisfaction, it is a very emotive subject and affects residents and visitors to the borough. This has been further exacerbated due to the start of a cost-of-living crisis, the removal of furlough and other government support.
- 6.5 The Customer Feedback Team have been working with parking services directly, refining the process on what constitutes a complaint. Parking has several legislative paths which need to be followed by those who receive a penalty, and it is not always correct to follow the complaint pathway.
- 6.5 Of those complaints received in Core Services 65.4% were answered within timescale.
- 6.6 In terms of case outcomes, 21.9% were upheld, 15.9% partly upheld, 49.2% not upheld, 0.5% resolved at first point of contact and 6.4% withdrawn.

7. Inclusive Growth

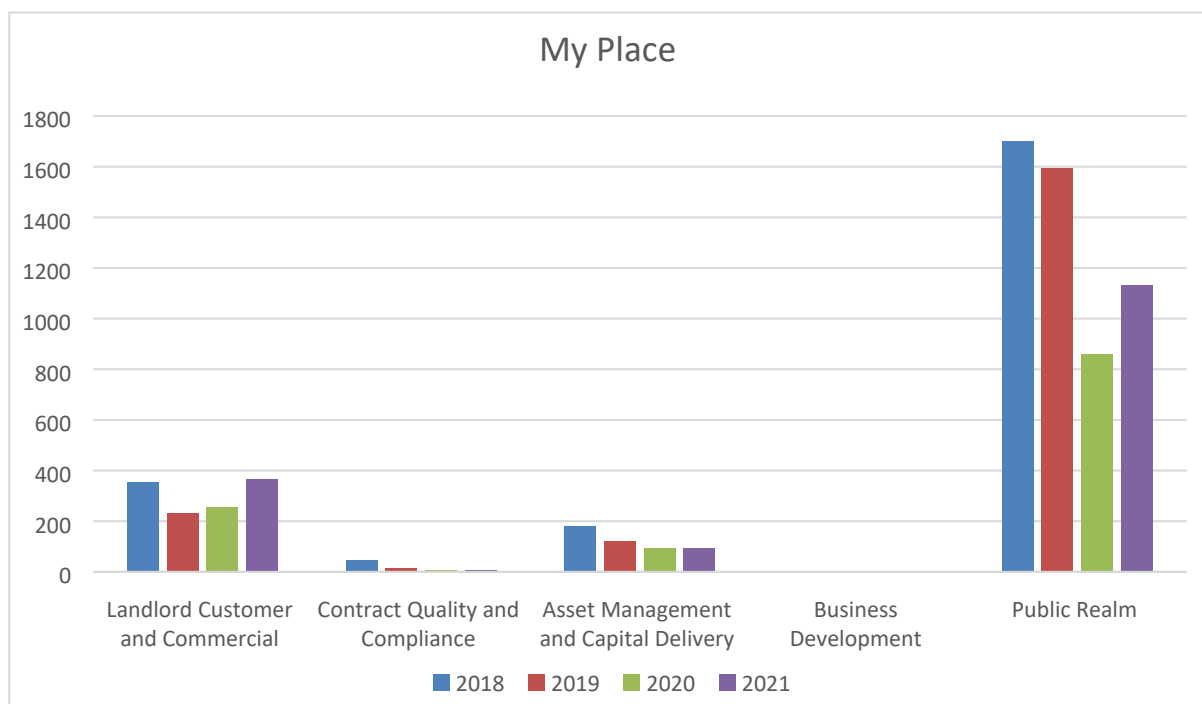
Stage 1 Complaints Received Inclusive Growth		
	2020	2021
Place Shaping and Regeneration Strategy	2	0
Housing and Asset Strategy	4	4
Enterprise Job and Skills	0	2
Commissioning and Programmes	0	0
Total	6	6



- 7.1 Inclusive Growth has 3 key priorities; develop our aspirational and affordable housing offer, shape great places and strong communities through regeneration, encourage enterprise and enable employment. As a commissioning function they do not directly deliver services.
- 7.2 This is a service which has a real impact on the Borough helping to deliver our strategy and vision. As a mainly strategic function, they are not customer facing and receive a minimal number of complaints.
- 7.3 Of the six complaints which were received in this area 16.6% were answered within timescale.
- 7.4 The case outcomes 16.6% were not upheld, 16.6% partly upheld and 16.6% upheld.

8. My Place

Stage 1 Complaints Received My Place		
	2020	2021
Landlord Customer and Commercial	255	367
Contracts Quality and Compliance	7	5
Asset Management and Capital Delivery	93	91
Business Development	2	2
Public Realm	859	1130
Total	1,216	1,595



- 8.1 My Place is responsible for maintaining a large range of front facing services. They manage and provide all Public Realm services which include refuse collections, street cleansing as well as highways and landlord services for our tenants.
- 8.2 It is not surprising and in line with other authorities that My Place receives the most complaints.
- 8.3 We have reviewed the number of complaints which are received and 70.2% of these complaints relate to Public Realm. These teams offer services which are used by all tenants within the Borough and it should be noted that although we have seen an increase from 2020, we are still substantially lower than 2018 and 2019 in terms of cases received.
- 8.4 Reviewing the data for 2021, as in previous years the main themes relate to non-collection of waste, replacement bins and street cleansing. 2021 shows an increase of 34% but vs. 2019 this is a decrease of 29%. The numbers on their own show a positive story albeit not in line with expectations from residents.

8.5 In the latter part of 2021 the Strategic Director for My Place focused on complaints performance by setting up a daily 10-minute huddle with the team, holding them accountable for their complaint's performance. This message was clearly heard and actioned with Public Realm reporting 100% answered within timescale performance in December 2021.

8.5 Of those complaints received in My Place 80.7% were answered within timescale.

8.6 In terms of case outcomes, 17.7% were not upheld, 13.1% partly upheld, 0.4% resolved at first point of contact, 64.2% upheld and 3.6% withdrawn.

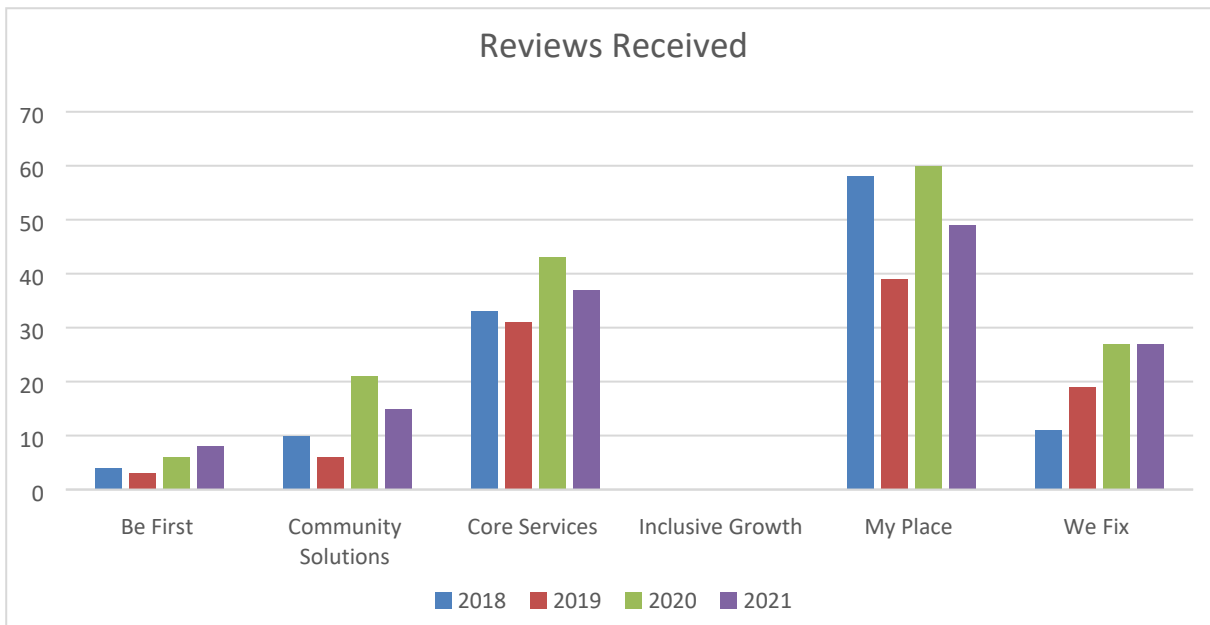
9. Reviews (Stage 2)

9.1 The Local Authority strives to undertake a full investigation into all complaints. On occasion complainants will feel that more could have been done and at this point the Local Authority offers a review. Reviews are undertaken by the Feedback Team as an independent service to ensure that a thorough investigation has been provided.

9.2 Only 3% of cases were reviewed in 2021, indicating that the Local Authority has provided a satisfactory resolution to the issue reported. An overview of the cases where reviews were requested show residents felt that the initial responses did not meet expectations in terms of offering clear and deliverable actions. Responses on occasion also failed to clearly respond to all reported issues and residents quite rightly questioned this and asked for further review of the complaint. It should be noted that this further review has provided the relevant detail as the number of complainants referring to statutory bodies such as the LGO or Housing Ombudsman has not risen.

9.3 In 2021 we have seen a decrease in the number of reviews by 13% from 2020 the spread across the teams asking for reviews remains static. **The top 3 service areas are repairs (27), parking (25), landlord services (18) meaning that 51% of our requests relate to 3 teams.** As we can note from the context in this report around the stage 1 complaints received it would not be considered unusual for these areas to feature as they generate the largest numbers throughout the year.

Reviews Received		
	2020	2021
Be First	6	8
Community Solutions	21	15
Core Services	43	37
Inclusive Growth	0	0
My Place	60	49
We Fix	27	27
Total	157	136



10. Local Government Ombudsman

10.1 In relation to Local Government Ombudsman (LGO) Complaints an annual report is shared with the Local Authority which is produced directly by the LGO. This report highlights how many cases were received and the decisions made on those cases.

For further information on these are published at the following link
www.lgo.org.uk/your-councils-performance/london-borough-of-barking-dagenham/annualletters/

10.2 From the cases which were submitted to the LGO the table below shows those cases which required detailed investigations. The LGO produce annual reports on a financial year rather than calendar year.

LGO Detailed Investigations	
Not Upheld	1
Upheld	11
Total	12

10.3 We have compared the number of detailed investigations carried out in neighbouring boroughs so that a comparison can be undertaken on our performance.

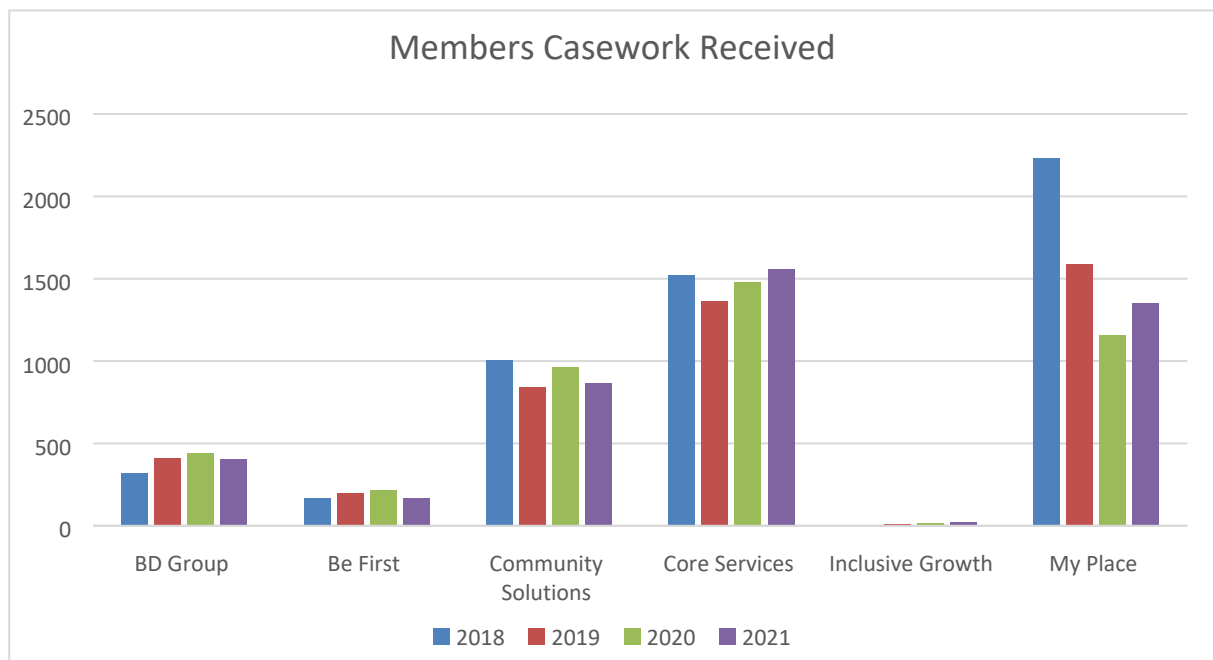
Benchmarking Data – Detailed Investigations	
London Borough of Barking and Dagenham	15
London Borough of Redbridge	31
London Borough of Havering	18
London Borough of Newham	26

11. Members Casework

11.1 There is a comprehensive members casework system in place to answer Councillors and Members of Parliament queries and concerns. We aim to respond to 90% of these cases in 10 working days

11.2 A small increase of 3% in casework received is reported within 2021. 78% of casework was answered within timescale. This is below our stated target of 90%.

Members Casework Received		
	2020	2021
BD Group	438	406
Be First	214	169
Community Solutions	961	865
Core Services	1,481	1,559
Inclusive Growth	15	23
My Place	1,158	1,353
Total	4,267	4,375



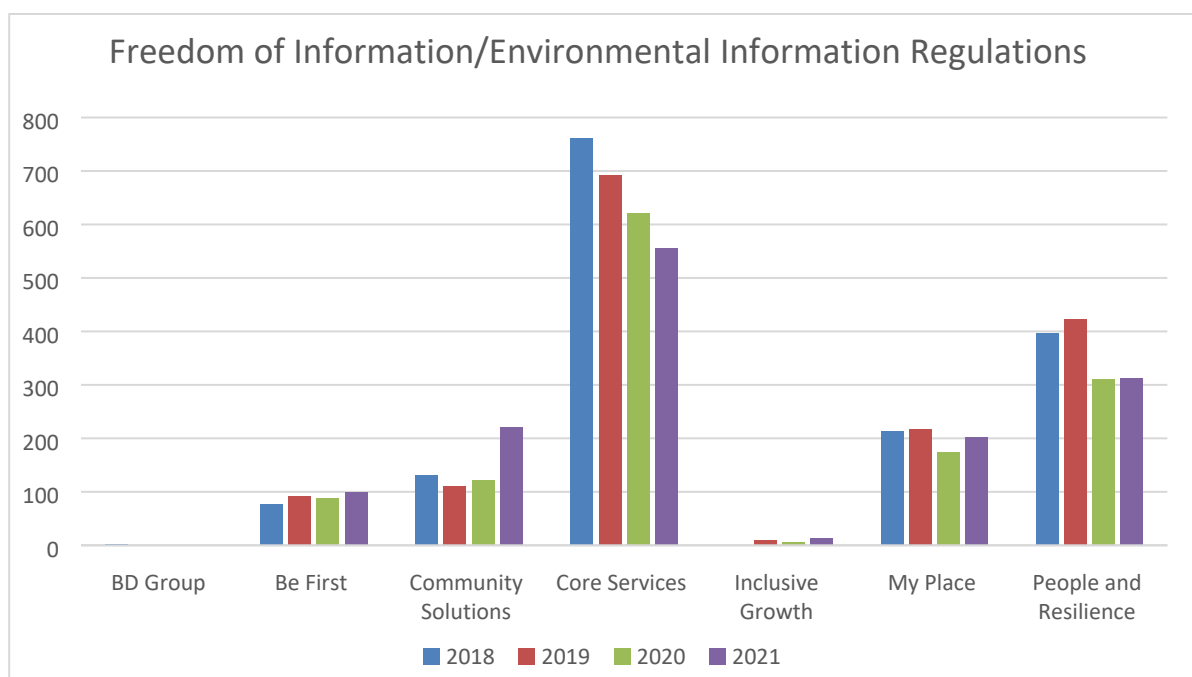
11.3 Member case work, in the main, mirrors that of our complainants who write to us directly aside from the inclusion of housing allocations and the associated wait time for these properties.

11.4 A significant increase of 16.8% is reported for My Place from 2020. This is not surprising as this particular directorate contains a vast number of services which our residents utilise such as street cleansing, refuse and landlord services.

11.5 We continue to try and work proactively with the elected members to ensure that we address the issues which are being raised with them.

12. Freedom of Information Requests

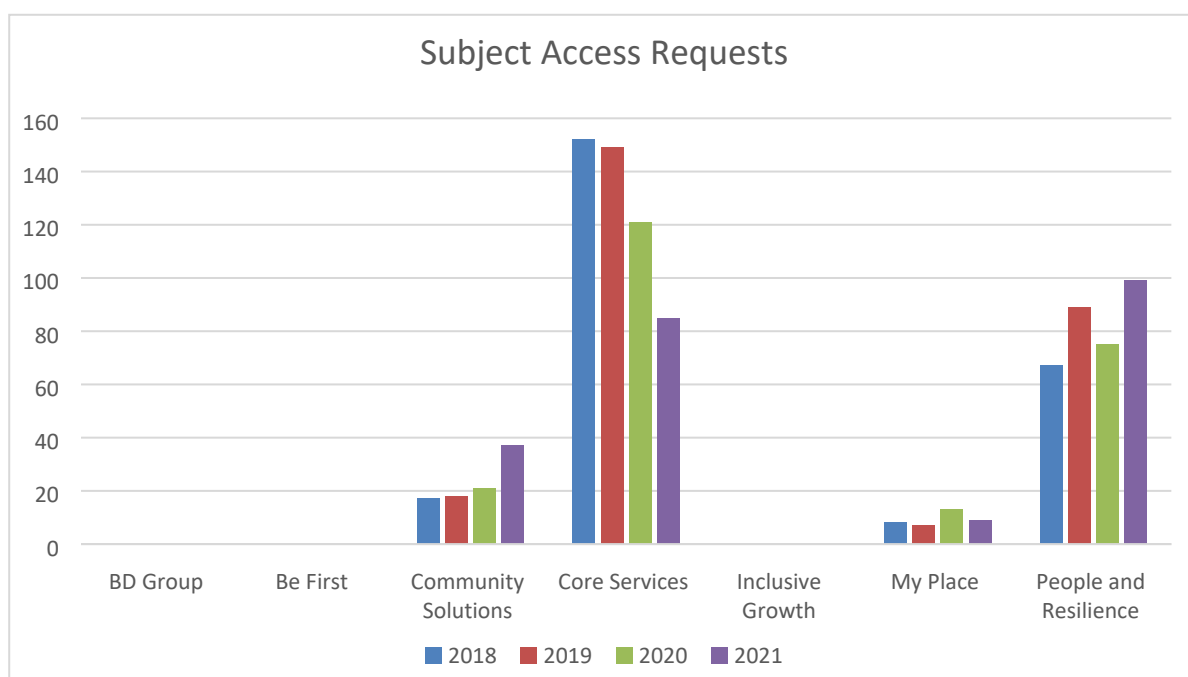
Freedom of Information/EIR Received		
	2020	2021
BDTP	0	0
Be First	89	100
Community Solutions	121	220
Core Services	621	555
Inclusive Growth	5	13
My Place	174	202
People and Resilience	310	313
Total	1,320	1,403



- 12.1 In line with the Information Commissioners Office guidance, the council now publish all FOI and EIR's which have been responded on the Council's website.
- 12.2 We have seen an increase in FOI's which have been received in 2021 by 6%.
- 12.3 The highest volume of FOI's received continues year on year to be Core Services and People and Resilience receiving 61.8% (868 of 1403). Finance received the highest volume of enquires with 8% of the overall total these requests relate to all areas of the Local Authority and include information requested on grants received and cost of running services. Education received 5% with requests including school admissions data and exclusions.
- 12.4 We should note the increase for Community Solutions which is related to the integration of Revenues and Benefits, who yearly receive a large portion of requests related to business grants, general income and council tax revenue.
- 12.5 Of those FOI and EIR's received 85.3% (1197 of 1403) were completed within timescale.

13. Subject Access Requests

Subject Access Requests Received		
	2020	2021
BD Group	0	0
Be First	0	0
Community Solutions	21	37
Core Services	121	85
Inclusive Growth	0	0
My Place	13	9
People and Resilience	75	99
Total	230	230



13.1 This year we have noted an increase of 32% in the number of cases received within People and Resilience area which covers both Adult and Children Social Care files. Year on year both social care and CCTV are the largest generator of requests covered by this legislation.

13.2 Of those Subject Access Requests received 88.6% (204 of 230) were completed within timescale.

14. Financial Implications

14.1 None

15. Legal Implications

15.1 None

16. Other Implications

16.1 None

Public Background Papers Used in the Preparation of the Report

- None

List of appendices:

- Statutory Social Care Complaints Annual Report
- Action and Support from the Customer Feedback

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Actions and Support from The Customer Feedback Team

- The Feedback Team are here to support services across the Local Authority with increasing performance and this is done via a number of methods;
- Weekly Reports shared to Directors and Team Managers. This method helps services to focus on all cases which remain open to them across the system.
- We supported My Place with their complaints improvements by actively taking part in a working group providing recommendations and amendments to processes which has had a positive effect on performance.
- Inviting the top 3 service areas to produce an action plan which is presented and held to account at Customer Information Board and CSG for comments.
- Performance meetings with BD Group.
- Working with Parking to redevelop the way in which we manage their casework taking into account the statutory legislation and procedures which affect cases.
- Encouraging joint working on complex cases as the knowledge and expertise in the team can assist in resolving cases before they reach the Ombudsman stage. Which can mean formal reports and increased levels of compensation being paid out.

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Annual Complaints Report

Children's Social Care

2021/22

London Borough of Barking and Dagenham

Introduction

This report fulfils the council's statutory duty to monitor the effectiveness of the complaints procedure and produce an annual report for children's services social care complaints.

The Local Authority Social Services Act 1970 (as amended by the NHS & Community Care Act 1990) requires us to establish a procedure for considering complaints in relation to the discharge of, or failure to discharge, any social services functions in respect of a qualifying individual. The Children Act 1989 Representation Procedure (England) Regulations 2006 provides the legal framework for the procedures in relation to social care functions.

The regulations require the local authority to attempt to resolve complaints as soon as reasonably practicable and within specific timescales. The procedure has three stages, which are set out below, however where appropriate and with the agreement of the complainant the local authority may arrange for alternative dispute resolution to help resolve matters.

- Stage 1 (local resolution by manager) – 10 working days or up to 20 working days for complex cases
- Stage 2 (investigation by someone outside of the service area complained about) – 25 working days with maximum extension to 65 working days
- Stage 3 (independent review) – 30 working days to convene and hold a review panel; then 5 working days for the panel to issue its findings; and a further 15 working days for the local authority to respond to those findings.

All complaints are triaged by the Complaints and Information Team to ensure they are suitable for the process. This ensures matters are managed through the correct procedures, should an alternative process be in place. Any matters which are not suitable for the complaints process are filtered out and passed to the appropriate channel.

If the complainant remains unhappy with the outcome of their complaint, they have the right to approach the Local Government and Social Care Ombudsman who may choose to investigate their complaint.

The Children's Social Care Complaints Procedure is administered by the Complaints and Information Team, with oversight from the Complaints and Information Manager.

Children’s social care complaints received

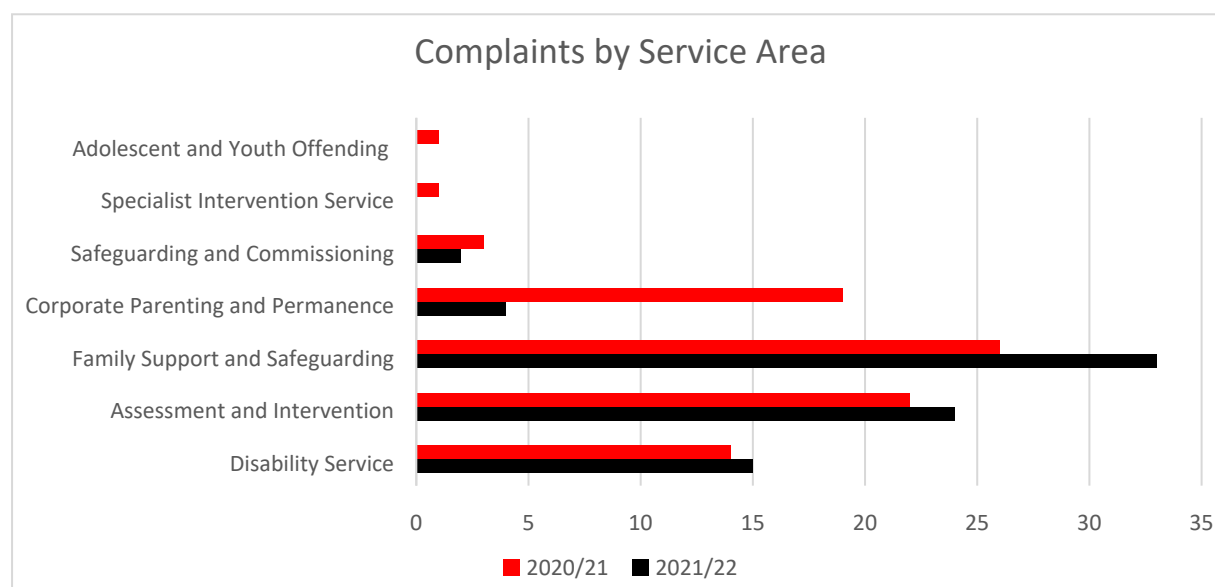
Stage 1 Complaints

The Local Authority welcomes all feedback, including complaints and representations about its services. Service users, families and carers can provide their views in an open and transparent way and can easily access the complaints procedure.

Children’s Social Care received 78 statutory complaints during 2021/22 this is a decrease of 9% on the previous year when we dealt with 86 statutory complaints.

Factors which could have impacted on the decrease however slight could be related to the ongoing Covid-19 pandemic where services users were facing additional pressures which meant making a complaint was not deemed as high a priority. Furthermore, the initial point of contact with our services users with their allocated workers prioritising addressing challenges may have reduced the number of complaints.

Number of Childrens Social Care complaints		
Department	2021/22	2020/21
Disability Service	15	14
Assessment and Intervention	24	22
Family Support and Safeguarding	33	26
Corporate Parenting and Permanence	4	19
Safeguarding and Commissioning	2	3
Specialist Intervention Service	0	1
Adolescent and Youth Offending	0	1
Total	78	86



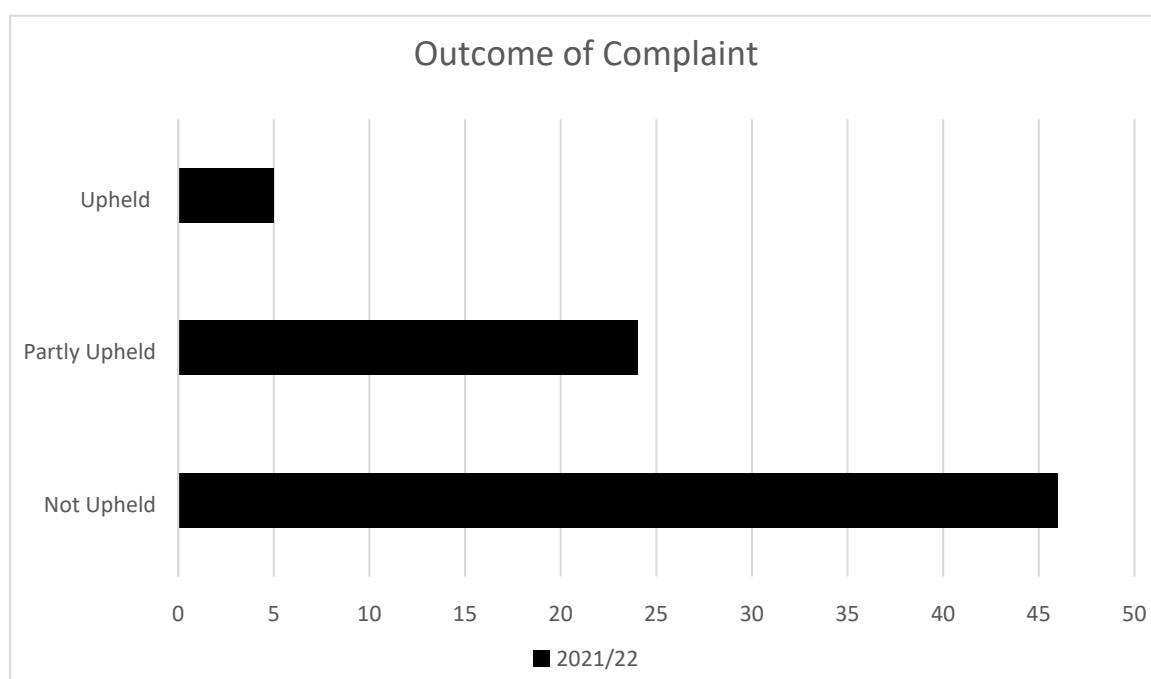
Timeliness of dealing with statutory stage 1 social care complaints

In 2021/22 82% (64 of 78) of complaints were answered within the 20 working days which is a slight decrease on the 2020/21 performance figure of 87%. This is not a significant decrease, and the Local Authority maintains performance above 80% which although falling short of the 90% corporate target is an improvement when in previous years, we were unable to meet 80%.

The Complaints and Information Team continue to support Children’s Social Care with relevant information produced on a weekly basis which provides insight into open complaints for each service area as a way to maintain visibility and accountability.

Outcome of Complaints

Not Upheld	46	59%
Partly Upheld	24	31%
Upheld	5	5%



The majority of the complaints submitted through the investigation we have been unable to find fault with the manner in which we have dealt with the cause for concern raised with our service.

In cases where we have been able to find fault in the way we have dealt with a service user and their families we strive to find service learning for cases which we can improve the service offering.

Stage 2 and 3 Social Care Complaints

Barking and Dagenham continue processing low level numbers of Stage 2 and 3 complaints year on year. In 2021/22 we undertook only two Stage 2 complaints across all Children's Social Care. These cases related to Assessment and Intervention and Disability Service.

Both of these Stage 2 complaints went over the prescribed time limit due to circumstances outside of the control the Local Authority. Both service users were kept fully informed of the delays throughout the process.

The recommendations contained in the reports are particularly case specific and not in relation to general practice of our services as such it is not practical to provide recommendations as part of this published report.

Local Government Ombudsman

The Local Government and Social Care Ombudsman remains the final step in the process where complainants can approach the service directly and ask for a further independent investigation into their complaint.

In 2021/22 the LGO approached the Local Authority on 5 cases relating to Children's Social Care and of these 2 were taken via the formal investigation route and both were upheld by the LGO. The remainder of the cases were closed after initial enquires were made and information provided.

Reasons for closure of these cases related to falling outside of the jurisdiction of the LGO, satisfactory remedy provided by the Local Authority through the complaints process or falling outside of the time allowed to initiate a complaint.

Recommendations from the LGO

The Council has agreed to start its stage two investigation without delay. Once the process is complete it will write to Miss C to inform her of the outcome, ensuring it provides her with appropriate information about her rights under the process.

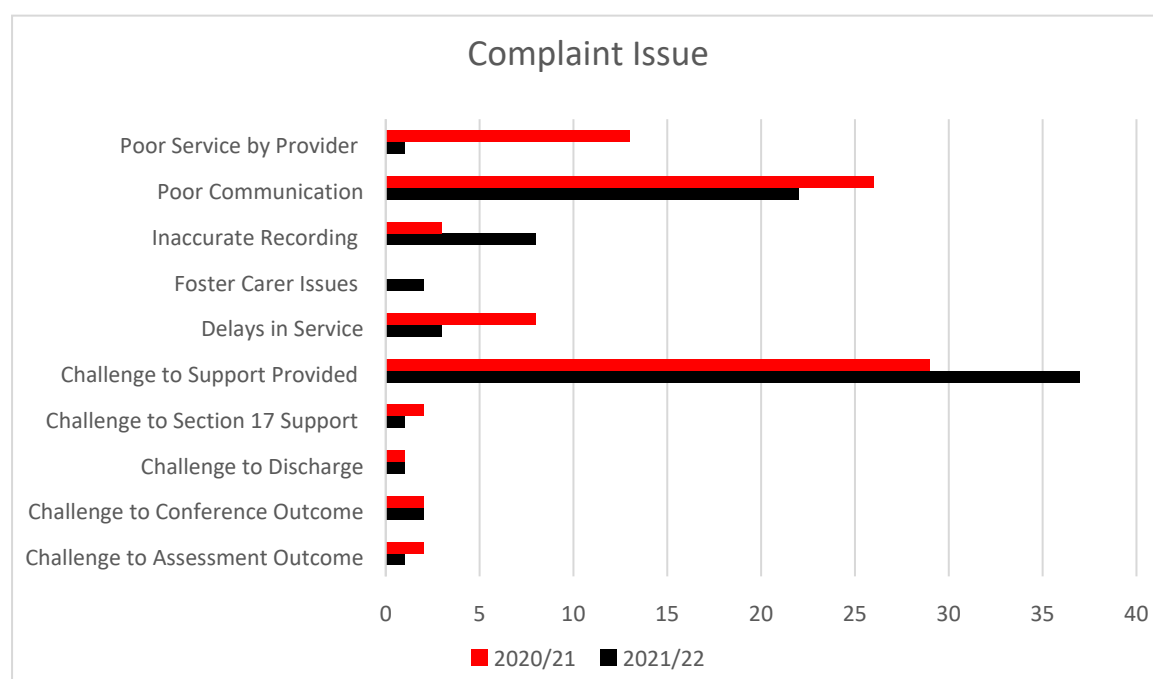
I have completed my investigation. The Council was entitled to reclaim the special guardianship allowance overpayment for Mrs G's eldest child. However, the Council should have made age-related increases to the special guardianship allowance it paid. The Council has re-calculated the payments and reduced the amount Mrs G owes. The Council has offered to write off the remaining balance, so Mrs G now owes nothing. The Council will also review the payments of other families to check they have received the correct allowance.

Complaints by issue

Complaints received provide valuable insight into how services are perceived by the clients and what can be learnt from complaints to improve the service provision offered.

When broken down by reason for complaint the most frequently mentioned concern relates to challenging the support provided closely followed by poor communication

Reason for complaint		
Reason	2021/22	2020/21
Challenge to Assessment Outcome	1	2
Challenge to Conference Outcome	2	2
Challenge to Discharge	1	1
Challenge to Section 17 support	1	2
Challenge to Support Provided	37	29
Delays in Service	3	8
Foster Carer Issues	2	0
Inaccurate Recording	8	3
Poor Communication	22	26
Poor Service by Provider	1	13
Total	78	86



When we receive complaints, they are a valuable resource in providing an opportunity to improve services for the individuals as well as improving services across the board for future and current service users. As such it is important that services continue trying to learn and implement improvements based on this feedback.

As a Local Authority we are committed to learning from our services users when they express dissatisfaction, and this is carried out by various methods such as;

- Using feedback from complaints to strengthen the voice of the children, young people and their families.
- Making sure our recording is clear including rationale behind decisions made so that they can be understood by children and families.
- Be transparent in our actions and communications

Below we explore some examples of key learning taken from our complaints and how we can improve.

- Ensure the role of the Children's Rights Advocate is explored with our children in care and explain how this role can support with issues which they identify through their journey.
- All allocated workers to ensure that case notes are kept updated when visits have occurred, and decisions made. Poor case recording impacts on the ability to not only produce comprehensive investigations but places the Local Authority at risk of more complaints should workers not be able to provide relevant information when asked how they have based decisions made.
- Wishes and feelings of children should be kept updated on records and where necessary communicated with the families such as concerns over contact.

Compliments

It is important to balance the complaints with evidence directly from services users that their experiences with the Local Authority have been positive.

An extract of compliments received 2021/22

From a grandmother I writing to let you know Grandson M has finally made contact with us thank God.

It has been a very sad and stressful time for us but we got there in the end, it will be a long road for M but he has made a start.

I have to give most of the credit to his YOS worker, he never gave up and was always very positive when we spoke to him, M also spoke very highly of him

I imagine he has a big workload, but he was always there for us.

A parent I just want to say thankyou from the bottom of my heart for all the help, support, advice and all the work you did for me and my family.

If it was not for you i dread to think what the outcome of our situation would have been.

Having you helped us has had a huge positive impact and will help us to keep moving forward.

So once again thank you and the service you provide.

From a Judge - Judge preceded to thank the social work team. She acknowledged they have the hardest job and that we don't realise what they do on a day-to-day basis.

Judge S would like thanks to be acknowledged as they are often the team that are often missed out. "

Mother commented "thank you very much to P the social worker she has been amazing

It is a positive outcome for this little girl

A parent They were a joy to work with and a big help especially because we are new parents, we have learned so much.

It was really easy to contact the manager and relay how we feel.

Me and baby's dad have a trusted relationship with the Team and it benefited our baby the most.

In general, T and I feel like we could seek for help and ask for support with the team as they have always showed us how to be better and put us on a good path to lead to success.

As a family, we really appreciate the support and help , it had a big impact on who and how we are as R parents.

AUDIT AND STANDARDS COMMITTEE

20 July 2022

Title: Complaints Update	
Report of the Monitoring Officer	
Open Report	For Information
Wards Affected: None	Key Decision: No
Report Author: Dr. Paul Feild Principal Standards & Governance Lawyer	Contact Details: Tel: 0208 227 2638 E-mail: paul.feild@lbbd.gov.uk
Accountable Director: Alison Stuart, Chief Legal Officer & Interim Monitoring Officer	
Accountable Strategic Leadership Director: Fiona Taylor, Acting Chief Executive	
<p>Summary:</p> <p>This report is to provide the Committee with an update of complaints against Members of the Council, their status, outcome and actions taken.</p> <p>On 1 July 2012 the Assembly adopted, as required by the Localism Act 2011, a new local Code of Conduct and Complaint Procedure.</p> <p>In accordance with the Code, the Monitoring Officer conducts an initial assessment of complaints about Members of the Council against approved criteria and may consult with the Independent Person and try to resolve matters informally if possible or appropriate. If the complaint requires further investigation or referral to the Audit and Standards Committee there may still be a hearing of a complaint before its Sub-Committee.</p> <p>At the time of this report, there are three active Complaints.</p>	
<p>Recommendation(s)</p> <p>The Audit and Standards Committee is recommended to note the report.</p>	
<p>Reason(s)</p> <p>For continued good governance and to ensure that the Standards Committee is aware of complaints against Members of the Council.</p>	

1. Options Appraisal

1.1 This report is for information only.

2. Consultation

2.1 This report is for information only.

3. Financial Implications

3.1 There are no financial implications associated with this report.

4. Legal Implications

Implications completed by: Dr. Paul Feild
Principal Standards & Governance Lawyer

4.1 It is a legal requirement that the Council promotes and maintains high standards of conduct by Members and Co-opted Members of the authority. The Audit and Standards Committee contributes to this duty by receiving reports from the Monitoring Officer and assessing the operation and effectiveness of the Code of Conduct for Members. Additionally, the Committee advises on training of Members on matters relating to the Code as well as receiving referrals from the Monitoring Officer into allegations of misconduct in accordance with the authority's assessment criteria.

4.2 This report furthers those objectives by providing timely updates to the Audit and Standards Committee with regard to the operation of the Code of Conduct.

Background Papers Used in the Preparation of the Report:

- The Council Constitution

List of appendices: Appendix A – Schedule of Complaints received.

Member Complaints – Monitoring Officer Rolling Record

Ref:	Receipt of Complaint	Member	Complainant	Nature of Complaint	Investigation	Standards Hearing	Outcome	Status (Open/closed)
MC 4/20	July 2020	Single Member	Officer	Code of Conduct – Member Officer	The fact-finding process is now complete.	No	The matter is to be addressed through Member training process.	closed
MC 3/21	Dec 2021	Single Member	Member of Public	Code of Conduct	Fact finding process	No	The Member has provided evidence which supports the position that the complaint has no basis in fact to support it and so in the public interest the Monitoring Officer has dismissed the complaint for want of evidence	Closed
MC 1/22	May 2022	Single Member	Members of Public	Code of Conduct – Parking Issues	Fact finding process	No	WIP	Open
2/22	May 2022	Single Member	Members of Public	Code of Conduct – Parking Issues	Fact finding process	No	WIP	Open
3/22	May 2022	Single Member	Members of Public	Code of Conduct – Parking Issues	Fact finding process	No	WIP	Open

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Audit and Standards Committee - Work Programme 2022/23

Chair: Councillor Princess Bright

Meeting	Agenda Items	Lead Officer	Reports deadline
11 October 2022	Annual Governance Statement Internal Audit 22/23 Q1 Review Counter Fraud 22/23 Q1 Review Risk Management Update Counter Fraud Policy Review Standards Complaints update Audit Completion Report 2019/2020 BDO External Audit Plan 2021/2022 Draft Annual Report of the Audit and Standards Committee for Assembly Work Programme	Chris Martin Chris Martin Chris Martin Chris Martin Chris Martin Paul Feild Lisa Blake (BDO) Lisa Blake (BDO) Governance Officer	5pm, 28 September
6 December 2022	Risk Management Update Standards Complaints update Work Programme	Chris Martin Paul Feild Governance Officer	5pm, 23 November

6 March 2023	Standards Complaints update Work Programme	Paul Feild Governance Officer	5pm, 24 February
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Rescheduled Items

Audit Completion Report 2019/2020

BDO External Audit Plan 2021/2022

Draft Annual Report of the Audit and Standards Committee

Meeting dates in the 2022-23 Municipal Year;

- 20 July 2022
- 11 October 2022
- 6 December 2022
- 6 March 2023