	London Borough of Hammersmith & Fulham **AUDIT, PENSIONS AND STANDARDS COMMITTEE** **17 June 2015**
TITLE OF REPORT	
Internal Audit Quarterly report for the period 1 January to 31 March 2015	
Open Report	
For Information **Key Decision: No**	
Wards Affected: None	
Accountable Director: Hitesh Jolapara –Director of Finance	
Report Author: Geoff Drake – Senior Audit Manager	**Contact Details:** Tel: 0208 753 2529 E-mail: geoff.drake@lbhf.gov.uk

1. EXECUTIVE SUMMARY

1.1. This report summarises internal audit activity in respect of audit reports issued during the period 1 January to 31 March 2015 as well as reporting on the performance of the Internal Audit service.

2. RECOMMENDATIONS

2.1. To note the contents of this report

3. REASONS FOR DECISION

3.1. Not applicable. No decision required.

4. INTRODUCTION AND BACKGROUND

4.1. This report summarises internal audit activity in respect of audit reports issued during the period 1 January to 31 March 2015 as well as reporting on the performance of the Internal Audit service for the 2014/15 financial year.

4.2. In order to minimise the volume of paperwork being sent to Committee members the full text of limited or nil assurance reports have not been appended to this report. However, this information has been made available to all members separately. A précis of all limited assurance reports is also provided at Appendix D for the information of members.

5. PROPOSAL AND ISSUES

5.1. Internal Audit Coverage

5.1.1. The primary objective of each audit is to arrive at an assurance opinion regarding the robustness of the internal controls within the financial or operational system under review. Where weaknesses are found internal audit will propose solutions to management to improve controls, thus reducing opportunities for error or fraud. In this respect, an audit is only effective if management agree audit recommendations and implement changes in a timely manner

5.1.2. A total of 16 audit reports were finalised in the last quarter of 2014/2015 from 1 January 2015 to 31 March 2015. This includes four shared services audits. In addition, 6 management letters and one follow up report were also issued.

5.1.3. A summary of each of the limited assurance reports is provided at Appendix D. 5 limited assurance audit reports were issued in this period: Langford Primary School; Good Shepherd Primary School; Highways Licensing; MSP Change Configuration and Release Management and MSP Interfaces and Acceptance Testing.

    5.1.3.1. Langford Primary School made 2 high, 7 medium and 4 low priority recommendations. Langford School has now converted to an Academy.

    5.1.3.2. Good Shepherd Primary School made 3 high, 10 medium and four low priority recommendations. One medium priority recommendation has yet to be implemented.

    5.1.3.3. Highways Licensing made 1 high and 6 medium priority recommendations. Four medium priority recommendations have been reported as implemented. The remainder are outstanding.

    5.1.3.4. MSP Change Configuration and Release Management

made 1 high, 4 medium and 1 low priority recommendations. One high and two medium priority recommendations have been reported as implemented. The remainder are outstanding.

5.1.3.5. MSP Interfaces and Acceptance Testing made 1 high, 6 medium and no low priority recommendations. no recommendations have yet been reported as implemented.

5.1.4. 1 Follow-up was undertaken in the period on High Priority Recommendations. 6 of the 9 recommendations were found to be implemented with 2 recommendations found to be partly implemented and 1 no longer applicable. The results of our follow up can be found in Appendix A.

5.1.5. The Internal Audit department works with key departmental contacts to monitor the number of outstanding draft reports and the implementation of agreed recommendations.

5.1.6. Departments are given 10 working days for management agreement to be given to each report and for the responsible director to sign it off so that it can then be finalised. There is one report currently outstanding, HRD Health and Safety of Service Users. Details of this can be seen in Appendix B.

5.1.7. There are now 22 audit recommendations made since October 2004 where the target date for the implementation of the recommendation has passed and they have either not been fully implemented or where the auditee has not provided any information on their progress in implementing the recommendation. This compares to 16 outstanding as reported at the end of the previous quarter and represents a deterioration in position. We continue to work with departments and HFBP to reduce the number of outstanding issues.

5.1.8. The breakdown of the 22 outstanding recommendations between departments are as follows:
- Adult Social Care - 3
- Children's Services (Non Schools) - 3
- Children's Services (Schools) - 6
- Corporate Services – 7
- Transport and Technical Services - 3

5.1.9. 9 of the recommendations listed are over 6 months past the target date for implementation as at the date of the Committee meeting. Internal Audit are continuing to focus on clearing the longest outstanding recommendations and to that end will be arranging meetings with the relevant departmental managers responsible for

all recommendations overdue by more than 3 months as and when this occurs.

5.1.10. The table below shows the number of audit recommendations raised each year that have been reported as implemented. This helps to demonstrate the role of Internal Audit as an agent of change for the council.

Year	Number of recommendations implemented
2012/13	245
2013/14	240
2014/15	129

5.2. Internal Audit Service

5.2.1. Part of the CIA's function is to monitor the quality of Mazars' work. Formal monthly meetings are held with the Mazars Contract Manager and one of the agenda items is an update on progress and a review of performance against key performance indicators. The performance figures are provided for the 2014/15 financial year.

Performance Indicators 2014/15

Ref	Performance Indicator	Target	Pro rata target	At 31 March 2015	Variance	Comments
1	% of deliverables completed	95%	95%	95%	0%	87 deliverables issued out of a total plan of 92
2	% of planned audit days delivered	95%	95%	97%	+2%	935 days delivered out of a total plan of 959 days
3	% of audit briefs issued no less than 10 working days before the start of the audit	95%	95%	100%	+5%	37 out of 37 briefs issued more than ten working days before the start of the audit.
4	% of Draft reports issued within 10 working days of exit meeting	95%	95%	90%	-5%	56 out of 62 draft reports issued within 10 working days of exit meeting. Average time to issue draft report was 6.2 days.
5	% of Final reports issued within 5 working days of the management responses	95%	95%	100%	+5%	43 out of 43 final reports issued within 5 working days.

5.3. Audit Planning

5.3.1. Amendments to the 2014/15 year Internal Audit plan agreed by the Committee are shown at Appendix C.

LOCAL GOVERNMENT ACT 2000-
LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext. of Holder of File/Copy	Department/ Location
1.	Full audit reports from October 2004 to date	Geoff Drake Ext. 2529	Corporate Services, Internal Audit Town Hall King Street Hammersmith W6 9JU

LIST OF APPENDICES:

Appendix A   Audit reports issued 1 January to 31 March 2015
Appendix B   Summary of Outstanding Audit Reports
Appendix C   Amendments to 2014/15 Internal Audit Plan
Appendix D   Summary of Limited Assurance Reports
Appendix E   Outstanding Recommendations

Audit reports Issued 1 January to 31 March 2015

We have finalised a total of 17 audit reports for the period to 1 January to 31 March 2015. This includes four Shared Services audits. In addition, we have issued a further 6 management letters and 1 follow up was completed in the period.

Audit Reports

We categorise our opinions according to our assessment of the controls in place and the level of compliance with these controls.

Audit Reports finalised in the period:

No.	Audit Plan	Audit Title	Executive Director	Audit Assurance
1	2014/15	Langford Primary School	Andrew Christie	Limited
2	2014/15	Highways Licensing	Nigel Pallace	Limited
3	2014/15	Good Shepherd Primary School	Andrew Christie	Limited
4	2014/15	Corporate Risk Management	Jane West	Satisfactory
5	2014/15	MITIE Repairs and Maintenance	Mel Barrett	Satisfactory
6	2014/15	Organisation Health and Safety	Nick Austin	Satisfactory
7	2014/15	Addison Primary School	Andrew Christie	Satisfactory
8	2014/15	HFBP Print Service	Jackie Hudson	Satisfactory
9	2014/15	Imperial Wharf Resources Centre	Liz Bruce	Satisfactory
10	2014/15	Options Day Centre	Liz Bruce	Satisfactory
11	2014/15	Cash In Transit Procurement	Jane West	Substantial
12	2014/15	Youth Offending Service (Shared Services)	Andrew Christie	Satisfactory
13	2014/15	MSP Change Configuration and Release Management (Shared Services)	Charlie Parker	Limited
14	2014/15	Libraries Management System (Shared Services)	Mike Clarke	Satisfactory
15	2014/15	Client Affairs (Shared Services)	Rachel Wigley	Satisfactory
16	2014/15	AMEY CAFM: Concept IT Application	Hitesh Jolapara	Satisfactory
17	2014/15	MSP Interfaces and Acceptance Testing	Charlie Parker	Limited

Substantial Assurance	There is a sound system of control designed to achieve the objectives. Compliance with the control process is considered to be substantial and few material errors or weaknesses were found.
Satisfactory Assurance	While there is a basically sound system, there are weaknesses and/or omissions which put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
Limited Assurance	Weaknesses and / or omissions in the system of controls are such as to put the system objectives at risk, and/or the level of non-compliance puts the system objectives at risk.
No Assurance	Control is generally weak, leaving the system open to significant error or abuse, and/or significant non-compliance with basic controls leaves the system open to error or abuse.

Other Reports

Management Letters

No.	Audit Plan	Audit Title	Director
18	2014/15	HRD Development Appraisal Model	Mel Barrett
19	2014/15	Accounts Receivable Key Controls Testing	Hitesh Jolapara
20	2014/15	Accounts Payable Key Controls Testing	Hitesh Jolapara
21	2014/15	General Ledger Key Controls Testing	Hitesh Jolapara
22	2014/15	Adult Social Care Day Centres Summary Report	Liz Bruce
23	2014/15	H&F Report It App	Lyn Carpenter

Follow ups

No.	Audit Plan	Audit Title	Implemented	Partly Implemented	Not Implemented	Not Applicable
24	2014/15	High Priority Recommendations	6	2	0	1

Internal Audit reports in issue more than two weeks as at 28 August 2014

No.	Audit Year	Department	Responsible Director	Audit Title	Assurance	Draft report issued on	Responsible Officer	Target date for responses	Awaiting Response From
1	2014/15	Housing and Regeneration	Mel Barrett	HRD Health and Safety of Service Users	Satisfactory	22/01/2015	Project Manager	05/02/2015	Project Manager*

*Partial response received

Amendments to 2014/15 Audit Plan

	Department	Audit Name	Nature of Amendment	Reason for amendment
1	Housing and Regeneration	HRD Development Appraisal Model	Added	Added at request of department
2	Corporate Services	Election Expenses	Added	Added from reserve list
3	Corporate Services	Software Licensing	Removed	Deferred to 2015/16
4	Transport and Technical Services	King Street Regeneration	Removed	Deferred to 2015/16
5	Housing and Regeneration	Housing Special Purpose Vehicle	Removed	Deferred to 2015/16
6	Housing and Regeneration	Housing Strategy – Housing Demand	Removed	Deferred to 2015/16
7	Housing and Regeneration	Regeneration – Earls Court	Removed	Deferred to 2015/16
8	Housing and Regeneration	Regeneration Governance	Removed	Deferred to 2015/16
8	Corporate	IT Contract Documentation	Removed	Deferred to 2015/16

Summary of Limited Assurance Reports

Ref	Audit and Scope	Details	Assurance / Risk

1	**Langford Primary School**
	The objectives of this review were to assess and evaluate the controls in the following areas:
	
	• Governance and Leadership;
	• Financial Management;
	• Procurement;
	• Staff Expenses and Petty Cash;
	• Income;
	• Payroll;
	• Head Teacher's Pay;
	• Assets and Inventory;
	• Leasing; and
	• Unofficial Funds.
		Hammersmith & Fulham standard schools audits are carried out using an established probity audit programme. Audits are currently undertaken on a three year cycle unless issues dictate a more frequent review. The programme is designed to audit the main areas of governance and financial control. The programme's standards are based on legislation, the Scheme for Financing Schools and accepted best practice. The purpose of the audit is to help schools establish and maintain robust financial systems.
		
		Two High, seven medium and four low priority recommendations were raised. The Principal recommendations were as follows:
		
		• The following policies and documents should be subject to review and approval by the IEB on an annual basis:
		
		   ➢ Charging policy and:
		   ➢ Pay Policy
		
		   Approval should be documented within meeting minutes.
		
		• The Register of Business and Pecuniary interest should be updated to include all members of the IEB.
		
		• The School Financial Value Standard should be approved by the IEB and submitted to the Local Authority in a timely manner.
		
		• A purchase order should be raised and authorised by a senior officer prior to placing the order with the supplier. Invoices should be paid within 30 days of receipt of the invoice unless there are valid reasons for non-payment. These reasons should be noted on the invoice.
		
		• Clear Financial Authorisation should be established and documented in the Schools Scheme of Delegation and / or Financial Policy. This should then be subject to review by the IEB on an annual basis. Details of the approval for high value expenditure should be clearly detailed within IEB meeting minutes, or alternative relevant documentation. Quotes should be obtained or a tender process should be completed in line with the updated Financial Policy.
		
		• The school should issue receipts or maintain a cash collection sheet for all sources of income showing the amount paid, who paid it and what it was for. These records should provide a complete audit trail so that each
			Limited

Ref	Audit and Scope	Details	Assurance / Risk
		item of income can be traced through to banking. Income collection records should be reconciled to cash in hand prior to banking by a senior officer independent of the cash collection process and signed to evidence this review.	
		• All documentation for new starters should be obtained prior to the starting date. This includes valid DBS certificates and two references.	
		• The asset register should be updated as new assets are acquired and subject to an annual check, reported to the IEB. There should be a segregation of duties between the Officer maintaining the asset register and conducting the asset check. Serial numbers for high value assets should be recorded on the asset register. A column should also be included for the cost or estimated value of IT equipment in the asset register.	
		• Unofficial fund reconciliations should be undertaken on a termly basis and documented. The School should liaise with the Council and determine the requirements of the audit of the school fund account. An audit of the school fund account should be undertaken and the results presented to the IEB. All recommendations were accepted by management for implementation by April 2015.	

Ref	Audit and Scope	Details	Assurance / Risk
2	**The Good Shepherd RC Primary School** The objectives of this review were to assess and evaluate the controls in the following areas: • Governance and Leadership; • Financial Management; • Procurement; • Staff Expenses and Petty Cash; • Income; • Payroll; • Head Teacher's Pay; • Assets and Inventory; • Leasing; and • Unofficial Funds.	Hammersmith & Fulham standard schools audits are carried out using an established probity audit programme. Audits are currently undertaken on a three year cycle unless issues dictate a more frequent review. The programme is designed to audit the main areas of governance and financial control. The programme's standards are based on legislation, the Scheme for Financing Schools and accepted best practice. The purpose of the audit is to help schools establish and maintain robust financial systems. Three high, 10 medium and four low priority recommendations were raised as a result of the audit. The principal recommendations were as follows: • The Instrument of Government should be updated to ensure that it is in line with current school requirements. • The Register of Business and Pecuniary interests should be updated to include all Governors and staff who hold financial decision making responsibility. • Key Policies including but not limited to those listed below, should be presented to the Governing Body or Finance Committee for review and approval on an annual basis: ➢ School Budget 2014/15; ➢ School Financial Policy; ➢ School Improvement Plan; and ➢ Charging Policy. • Purchase orders should be raised for all goods and services where the cost is known in advance. All expenditure should be authorised appropriately and in line with the Scheme of Delegation. Payments should be made to suppliers within 30 days of invoice receipt. Where invoices are delayed for legitimate reasons, this should be recorded on the invoice to demonstrate why payment of the invoice may be delayed. • Quotations should be obtained and retained in accordance with the requirements of the School's Financial Policy. The award of any contract, and reasons for supplier selection, should be documented in the minutes of the Governing Body or other delegated committee. • The HMRC Employment Status Indicator should be completed for each self-employed individual that payments are made to, and documentation of this should be retained by the school. • The School should update the expense policy in the School's Financial Policy to detail the maximum period in which an expense claim can be submitted after an expense has been incurred; and in	Limited

Ref	Audit and Scope	Details	Assurance / Risk
		addition:	
		> Expense claims should be submitted in a timely manner;	
		> Expense claims forms should be completed for all expenses; and	
		> Expense forms should be signed by the claimant.	
		• A petty cash form should be completed for each petty cash reimbursement, and this should be authorised by a senior staff member and signed by the claimant. Petty cash claims should be authorised by someone more senior than the claimant where possible. In the case of the Head Teacher the claim should be authorised by the Deputy Head Teacher or a member of the Governing Body. Petty cash reconciliations should be signed by the officer conducting the reconciliation as well as a second officer to evidence review.	
		• A second officer should review and certify as correct the reconciliation of cash collected and banked as against the Income Registers. A clear audit trail should be maintained between cash collected and income banked to allow items of income to be traced through the process. The discrepancies identified should be investigated.	
		• The overtime claim form should be revised to allow for the claimant to sign the form as a true and correct record. Overtime claims should be thoroughly checked to ensure that the overtime rate and hours claimed are accurate. Spot checks should be undertaken to confirm claims are processed accurately.	
		• Approval of ISRs for the leadership team and individual salaries should be documented in meeting minutes. The school should liaise with the LA to confirm that the leadership pay arrangements at the School are appropriate and in line with the School Teachers Pay and Conditions Document.	
		• The School should ensure that there is a segregation of duties between the officer who maintains the asset register and completes inventory checks. The results of inventory checks should be presented to the Governing Body.	
		• The School should arrange for the Fund Account to be independently audited on an annual basis, and the results presented to the Governing Body in a timely manner.	
		All recommendations were accepted by management for implementation by March 2015.	

Ref	Audit and Scope	Details	Assurance / Risk

3	**LBHF Highways Licensing**
	The objectives of this review were to assess and evaluate the controls in the following areas:
	
	• Fee setting;
	• Application;
	• Issuing of Licenses;
	• Enforcement;
	• Income Collection;
	• Debt Recovery;
	• Budgetary Control; and
	• Performance Management.
		Within the London Borough of Hammersmith and Fulham, the administration of Highways Licences is undertaken by the Network Management Team. Following the transfer of a Licensing Enforcement Officer post to ELRS in 2008 Street Scene Enforcement took on some of the enforcement duties previously undertaken in Network Management. As described below there appeared to be a lack of agreement and clarity over the responsibilities that had transferred and those that had remained within Network Management.
		
		One high and six medium priority recommendations were raised. The Principal recommendations were as follows:
		
		• License applications should be processed within the target timescales following license application, assuming the licence does not require planning permission or input from Transport regarding CLP.
		• The amount of fees charged to licensees should be in accordance with approved rates. Where there is over/under payment, the Licensing Administrator should contact the applicant to rectify the error. Where possible, additional time should be allowed for loading new fee rates onto the system.
		• Outstanding enquiry reports for all staff should be monitored on a regular basis by a Manager. Monitoring should be evidenced electronically or by signing the document.
		• Discussions should be undertaken between TTS and ELRS to formally agree which Licence / Highways Act enforcement responsibilities should be undertaken by Highways and which should be undertaken by the ELRS Street Scene Enforcement team, also taking account of where enforcement powers lie. The agreed split of responsibility should be documented and communicated to staff in each team. Inspections should then be undertaken pre, during and post licence issue to help identify any non-compliance with licence conditions. Results of inspections should be recorded on Confirm and/or a monitoring spreadsheet. Where inspections are not undertaken, the reasons should be documented.
		• All income due to the Council should be recorded accurately and completely. The finance department should send the Compliance Manager their report to reconcile with licence records. The department should continue in its efforts to identify the reason for misstatement, and introduce controls to ensure income received is accurately matched to income expected/due.
		• A reconciliation of failed inspections against FPNs issued should be undertaken on a monthly basis to identify FPNs not issued for failed inspections.
		• Formal performance indicators should be set for the Highways Licencing Staff and monitored on a regular basis. This may include, but not be limited to:
		   ➢ % of licences processed in 5 working days upon receipt of application;
		   ➢ % of FPNs issued within 1 working day;
		   ➢ % of FPNs issued as a result of inspections;
		   ➢ % of FPN income received vs FPNs issued; and
			Limited

		➢ % of inspections conducted All recommendations were accepted by management for implementation in the new information system by February 2015.	

Ref	Audit and Scope	Details	Assurance / Risk

4	**MSP Change Configuration and Release Management (Tri-Borough)** The objectives of this review were to assess and evaluate the controls in the following areas:
	
	 • Change configuration and release risk and effectiveness;
	
	 • Roles and responsibilities;
	
	 • System specification and process documents updates;
	
	 • Remedial issue resolution and change management and:
	
	 • Change administration access and backup / restore procedures.
		The internal audit assessment was started and completed in January 2015 in preparation for the second User Acceptance Test (UAT) delivery stage to cover the controls established and applied by BT to the Managed Services Change, Configuration and Release Management activities. The audit focused on the management structures, plans, procedures and controls in place to help ensure the successful implementation and operation of Managed Services Programme by examination of the arrangements applied in the following areas:
		
		 • Change and release activity monitoring reporting on risk management and effectiveness impact assessments.
		
		 • Change, configuration and release management roles and responsibilities;
		
		 • Documented change, configuration and release management procedures which ensure system specification and process documents are accurately updated;
		
		 • Remedial unplanned issue resolution and change management arrangements;
		
		 • Change administration access and data base back-up / restore processes and controls.
		
		 One High, four medium and one low priority recommendations were raised. The Principal recommendations were as follows:
		
		 • Management should formally assess the need to update the ABW Gold Build version to Milestone 4 update 4 and ensure that the Gold Build version continues to be maintained and updated to the current version of Agresso.
		
		 • Management should establish and distribute appropriate weekly and monthly client change activity reports, quantified by priority and risk, to assist the rolling review of the standing CAB agenda items.
		
		 • Management should ensure that the existing MSP risks and issues records are consolidated to help inform and assist the risk classification and prioritisation of change, configuration and release activities.
		
		 • Management should agree:
		  ➢ A specific MSP configuration item (CI) definition policy. (Hardware/software/ version / patch hotfix/ Interface code/ MSP training material versions/ system configuration opting settings etc.)
		  ➢ An appropriate shared services change management process compliance monitoring report to assist the rolling review of the standing CAB agenda items release and configuration management. E.g. By identifying when MSP RFC records result in (CMDB) updates or not.
		
		 • To demonstrate clear and transparent relationships for the change management MSP issue resolution activities management should ensure that the:
		  ➢ "Related reference Number (if applicable)" field in the Shared Services Request for Change (RFC)
			Limited

| | | form captures the IST, UAT1 and UAT2 references; and
➤ MSP RFC change log is amended to record and report on the "Related Reference Number"

.

All recommendations were accepted by management for implementation by August 2015. | |

Ref	Audit and Scope	Details	Assurance / Risk
5	**MSP Interfaces and Acceptance Testing (Tri-Borough)** The objectives of this review were to assess and evaluate the controls in the following areas: • Acceptance Test Strategy • Test Scripts • Test Result Reporting • Critical Path Reporting	This audit was undertaken as part of the 2014/15 audit plan to assess the adequacy of the control framework applied to the Managed Services Programme System Interface and Acceptance Test activities being conducted as part of implementing the Agresso Business World (ABW) Enterprise Resource Planning (ERP) system across the three Boroughs. This involved examination of the following areas: • A systematic and methodical approach to the identification and prioritisation of acceptance testing of system procedures and interfaces exists outlining resource requirements for systems interface tests, user acceptance tests and operational acceptance tests; • Acceptance test scripts have been developed and mapped to help evaluate system interface and functionality requirements; • Individual system interface and system functionality acceptance test results are accurately recorded and reported on, so any issues are escalated for resolutions on a timely basis; and • Appropriate and accurate monitoring reports exist that update stakeholders on the overall system interface and system functionality acceptance test result trends and resolutions to help inform the critical path status and go-live decision. One High and six medium priority recommendations were raised. The Principal recommendations were as follows: • Management should ensure that all of the 49 interfaces that are considered as "must have" for the go live have appropriate interface test scripts established, and monitored for sign off achievement prior to go live. • Documented MSP system audit trail requirements should be established for appropriate acceptance test scripts to be developed and signed off by the Internal Audit team to confirm that the currently undocumented BT 'standard settings' adequately meet the needs of the three Councils. • Management should confirm that the procedures for the treatment of rejected BACS file records and potential exception reports are adequately assessed and signed off as appropriate in acceptance testing. • Interface file processing acceptance tests and exception processing report tests should be established to confirm the adequacy and effectiveness of the documented interface file processing reconciliation controls • Management should establish a unified transparent update report to confirm the percentage of "Critical Path" acceptance criteria delivery achievements and issues in future phases of the implementation. All recommendations were accepted by management.	Limited

Summary of Outstanding Recommendations

This is a schedule of all recommendations where the target date for implementation has passed and either the recommendation has not been fully implemented, or the auditee has failed to provide information on whether it has been implemented.

Ref	Audit year	Department	Audit Name	Assurance	Recommendation	Priority (1/2/3)	Agreed Target Date	Responsible Officer	Status
1	2012/13	Adult Social Care	Housing Related Support Framework	Satisfactory	The Council's Supporting People Strategy should be updated.	2	31/03/2015	Commissioning Manager (Supported Housing)	Deadline extended to 31 March 2015 as the delay has at least in part been due to the new administration wanting to take stock of services requiring resources to be re-allocated to other work. This work is ongoing. Recommendations regarding the future strategy for supported housing will be presented to members and it is now more realistic to report that the future strategy will be available within 6 Months.

Ref	Audit year	Department	Audit Name	Assurance	Recommendation	Priority (1/2/3)	Agreed Target Date	Responsible Officer	Status
2	2013/14	Adult Social Care	West London Housing Related Support Framework Agreement	Satisfactory	A plan should be developed which defines how statutory obligations will be fulfilled in the event that suppliers are unable to deliver the contracted service. This should include but not be limited to defining both how services will be delivered and the transition process.	2	31/03/2015	Tri-borough Procurement & Contract Interim Manager - ASC	Date extended as Care Act has to be fully taken into account which is new legislation and applies across the whole of ASC, so this forms part of that wider review. A Provider Failure and Service Interruption protocol is being developed for each service area in line with duties under the care act. This will be completed by the end of June 2015.
3	2014/15	Adult Social Care	Direct Payments	Limited	Staff should be reminded that there should be a clear link between the support plan and the DP made. Where the DP changes, the Support Plan should be updated accordingly or a clear audit trail maintained on Frameworki. Spot checks should be undertaken on an ongoing basis to confirm that this requirement is being followed.	1	31/01/2015	Director of Operations	Points one and two completed. Regular spot checks to be introduced from July 2015

Ref	Audit year	Department	Audit Name	Assurance	Recommendation	Priority (1/2/3)	Agreed Target Date	Responsible Officer	Status
4	2012/13	Children's Services	Thematic Report - Leasing in Schools	N/A	All schools should be reminded of the requirement to seek approval from the Governing Body and the Council prior to entering into or renewing leasing agreements. As a result of this approval process, a record should be maintained of any providers that do not appear to provide value for money. Where practical, schools expenditure records should be examined to identify if these providers are being used.	1	30/10/2013	Tri Borough Director of Finance and Resources (Children's Services)	Advised on 2/6/2014 that completions of update to Scheme for Financing Schools has slipped and will be completed by September 2014.
5	2012/13	Children's Services	Thematic Report - Leasing in Schools	N/A	Schools should be reminded to retain copies of lease agreements in a readily accessible location.	2	30/10/2013	Tri Borough Director of Finance and Resources (Children's Services)	Advised on 2/6/2014 that completions of update to Scheme for Financing Schools has slipped and will be completed by September 2014.
6	2012/13	Children's Services	Thematic Report - Leasing in Schools	N/A	Consideration should be given to updating the School Finance Procedures Manual to require that an options appraisal is undertaken prior to entering into leasing arrangements to demonstrate that leasing offers better value for money when compared to outright purchase of goods and services.	2	30/10/2013	Tri Borough Director of Finance and Resources (Children's Services)	Advised on 2/6/2014 that completions of update to Scheme for Financing Schools has slipped and will be completed by September 2014.

Ref	Audit year	Department	Audit Name	Assurance	Recommendation	Priority (1/2/3)	Agreed Target Date	Responsible Officer	Status
7	2013/14	Children's Services	Phoenix High School	Satisfactory	The Unofficial Fund should be audited by an independent auditor and the results of the audit presented to the Governing Body.	2	01/10/2014	Head Teacher	There has been a delay with this due to the long term absence of the person who managed the fund. School are in the process of looking to appoint. In terms of the audit, School plan to have this done before the end of the of the academic year. There has been no activity through the fund over the past 6 months whilst the member of staff has been off sick.
8	2014/15	Children's Services	Flora Gardens Primary School	Satisfactory	The following key documents and policies should be presented to the Governing Body or Finance Committee for review and approval on an annual basis: • Finance Policy; • Whistle Blowing Policy; • Pay Policy; • Lettings and Charging Policy; and • School Development Plan (SDP). Approval should be recorded in the minutes of the relevant meeting.	2	31/12/2014	Headteacher / Governing Body	08/01/15 - All policies except Finance Policy have been approved by GB. The FP will go to GB in Feb 2015.

Ref	Audit year	Department	Audit Name	Assurance	Recommendation	Priority (1/2/3)	Agreed Target Date	Responsible Officer	Status
9	2014/15	Children's Services	Melcombe Primary School	Limited	The Governing Body should approve the ISR of the Head Teacher. This information may be incorporated in the School's pay policy.	2	31/10/2014	Head Teacher & Chair of the Governing Body	05/1/15 - The Governing Body are currently reviewing the pay policy and the ISR for the Head Teacher will be incorporated
10	2014/15	Children's Services	St John's CE Primary School	Satisfactory	A three year School Development Plan should be developed. The plan should be formally approved by the Governing Body.	2	01/01/2015	Headteacher and Chair of governors	
11	2014/15	Children's Services	St John's CE Primary School	Satisfactory	The School should periodically test the market for long standing contracts to gain assurance that they are still achieving value for money.	2	01/01/2015	SAO, Site Manager, Headteacher, Chair of Governors	
12	2014/15	Children's Services	St John's CE Primary School	Satisfactory	The unofficial fund should be subject to an independent audit. The audit report should be presented to the Governing Body or Finance Committee and documented as such in the minutes. The discrepancy in the Fund Account should be investigated.	2	01/01/2015	SAO, Chair of Finance Committee, Chair of Governors	
13	2014/15	Corporate Services	Managed Services - Change Configuration and Release Management	Limited	Management should agree:- a) A specific MSP configuration item (CI) definition policy. (Hardware/software/ version / patch hotfix/ Interface code/ MSP training material versions/ system configuration opting settings etc) b) An appropriate shared services change management process compliance monitoring report to assist the rolling review of the standing CAB agenda items release and configuration management. E.g. By identifying when MSP RFC records result in (CMDB) updates or not.	2	28/02/2015	MSP Programme Manager	

Ref	Audit year	Department	Audit Name	Assurance	Recommendation	Priority (1/2/3)	Agreed Target Date	Responsible Officer	Status
14	2014/15	Corporate Services	Managed Services - System Testing	Limited	It is recommended that timescales to address IST, Service Now and any future issues are appropriately assessed ensuring that they are realistic and achievable. Consideration should also be given to producing a Critical Path Analysis where some critical activities are not delivered and the subsequent impact on Go-Live.	1	30/09/2014	Tri B UAT TM & BT IST TM	
15	2014/15	Corporate Services	Managed Services - System Testing	Limited	It is recommended that timescales for completion of IST sign off are provided so that UAT and other activities can be planned to achievable timelines. Additionally, where delivery of key functionality is delayed, additional regression testing, IST and UAT will need to be planned and performed.	2	30/09/2014	BT IST TM	
16	2014/15	Corporate Services	Managed Services Programme High Level Controls	Limited	Cabinet should be updated for their approval of the new total MSP cost position. Accountability and transparency for reporting on the status and clarity of all issues that impact on the MSP financial management position should be improved by separating the responsibility for risk/issue ownership from the responsibility for risk/issue mitigation. The responsible risk or issue owner should assess the mitigation action activity reports to reassess the risk to either accept, reduce, transfer or avoid/close the record to assist in trend analysis reports.	2	31/10/2014	MSP Programme Manager	

Ref	Audit year	Department	Audit Name	Assurance	Recommendation	Priority (1/2/3)	Agreed Target Date	Responsible Officer	Status
17	2014/15	Corporate Services	Mobile Device Security	Satisfactory	Management should implement an appropriate Mobile Device Asset Management process. This should include regularly reviewing the asset register to confirm the continued presence of relevant devices.	2	31/01/2015	Information and Systems Strategist	
18	2014/15	Corporate Services	Tri borough Cloud Computing	Satisfactory	Regular reporting on performance and security incidents (or any agreed schedule) should be requested from the cloud service providers for the Frameworki, Library Management System and Bravo Solutions application.

Furthermore, such reporting requirements should be extended to all Tri-Borough based cloud agreements. | 2 | 31/03/2015 | Chief Procurement Officer WCC | |
| 19 | 2014/15 | Corporate Services | Tri borough Cloud Computing | Satisfactory | The Tri-Borough should ensure continuous compliance of their vendors and Cloud Service Providers with applicable regulations such as: PCI DSS, ISO 27001, EU Data Protection Regulations, Cloud Security Alliance Control Matrix, ISAE 3402, SSAE 16, and SAS 70 Type II. | 2 | 31/03/2015 | Chief Procurement Officer WCC | |

Ref	Audit year	Department	Audit Name	Assurance	Recommendation	Priority (1/2/3)	Agreed Target Date	Responsible Officer	Status
20	2014/15	Transport & Technical Services	Highways Licenses (LBHF)	Limited	Discussions should be undertaken between TTS and ELRS to formally agree which Licence / Highways Act enforcement responsibilities should be undertaken by Highways and which should be undertaken by the ELRS Street Scene Enforcement team, also taking account of where enforcement powers lie. The agreed split of responsibility should be documented and communicated to staff in each team. Inspections should then be undertaken pre, during and post licence issue to help identify any non-compliance with licence conditions. Results of inspections should be recorded on Confirm and/or a monitoring spreadsheet. Where inspections are not undertaken, the reasons should be documented.	1	01/02/2015	Bi-Borough Director of Transport & Highways	Presently no discussions have been held with ELRS because it is hoped that the business case (to address resource issues) will allow the enforcement duties to be transferred to Network Management
21	2014/15	Transport & Technical Services	Highways Licenses (LBHF)	Limited	A reconciliation of failed inspections against FPNs issued should be undertaken on a monthly basis to identify FPNs not issued for failed inspections.	2	01/02/2015	Network Compliance Team Manager	There is still a resource issue within the team which is hoping to be addressed through the recently drafted business case. No changes to the software are planned to allow easy reporting of FPNs within Confirm which means this task is resource intensive. A member of staff is responsible for this task but due to the numbers involved and her unreliable work attendance she is not able to stay on top of the workload.

Ref	Audit year	Department	Audit Name	Assurance	Recommendation	Priority (1/2/3)	Agreed Target Date	Responsible Officer	Status
22	2014/15	Transport & Technical Services	Highways Licenses (LBHF)	Limited	Formal performance indicators should be set for the Highways Licencing Staff and monitored on a regular basis. This may include, but not be limited to: • % of licences processed in 5 working days upon receipt of application; • % of FPNs issued within 1 working day; • % of FPNs issued as a result of inspections; • % of FPN income received vs FPNs issued; and • % of inspections conducted for licences issued.	2	01/02/2015	Network Compliance Team Manager	Due to the limited resource available and the restrictions with the software this is not being done. This will be addressed through the business case.