

Report No.
FSD20070

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **AUDIT SUB-COMMITTEE**

Date: **Tuesday 3rd November 2020**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **INTERNAL AUDIT PROGRESS REPORT**

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Chief Officer: Director of Finance

Ward: (All Wards);

1. Reason for report

This report informs Members of recent activity across the Council and provides updates on matters arising from the last Audit Sub Committee. It covers:-

- Audit Activity (Key Findings)
- Impact of COVID-19
- Audit Activity (Priority 1 Commentary)
- Audit Report Summaries
- Audit Activity (Other work)
- Publication of Internal Audit Reports
- Risk Management
- Waivers
- External Audit Update

2. **RECOMMENDATION(S)**

- a) Note the Progress Report and comment on matters arising
- b) Note the list of Internal Audit Reports published on the Council's website
- c) Note the External Audit Update
- d) Recommend to the GP & L Committee and the Council that the revised Corporate Financial Regulations and Financial Regulations for Schools be agreed

Impact on Vulnerable Adults and Children

1. Summary of Impact: Some of the audit findings could have an impact on Adult and Children's Services
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Corporate Policy

1. Policy Status: Not Applicable:
 2. BBB Priority: Excellent Council:
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Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Internal Audit
 4. Total current budget for this head: £541k including Internal Audit and External Audit, Fraud Partnership, Insurance Management and Claims handling
 5. Source of funding: General Fund/Legal Cost recoveries
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Personnel

1. Number of staff (current and additional): 7.5 FTE, including 1 FTE Insurance and Risk Manager
 2. If from existing staff resources, number of staff hours: 2020/21 – 940 days are proposed to be spent on the audit plan, fraud and investigations – excludes RB Greenwich investigators' time.
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Legal

1. Legal Requirement: Statutory Requirement None:
 2. Call-in: Not Applicable:
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Procurement

1. Summary of Procurement Implications: Some audit recommendations will have procurement implications.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Approximately 100, including Chief Officers, Heads of Service, Head Teachers and Governors
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

3. COMMENTARY

3.1 Internal Audit Progress

3.1.1 The Accounts and Audit Regulations require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards (PSIAS) or guidance. Internal audit is a key component of corporate governance within the Council. The three lines of defence model provides a simple framework for understanding the role of internal audit in the overall risk management and internal control processes of an organisation:

- First line – operational management controls
- Second line – monitoring controls
- Third line - independent assurance (Internal Audit forms the Council's third line of defence)

3.1.2 In simple terms, this assurance will assess whether risks are being appropriately managed. This will help the organisation to; avoid surprises, establish whether activities are being delivered as expected and ensure opportunities are delivered in an efficient way. This provides accountability to our stakeholders and establishes priorities for managers where further action is required.

3.2 Audit Activity (Key Findings)

Impact of COVID-19

3.2.2 Members were informed at the last meeting that the COVID-19 pandemic that has had a disruptive effect across society is causing a significant impact on Local Government and the Council has had to adapt to this changing landscape. Employees are working from home with new operating models being adopted to continue business.

3.2.3 In the first quarter of 2020/21, Internal Audit concentrated on enabling the Council to deliver front line services with resources redirected to anti-fraud work and supporting service delivery. This resulted in most routine audits being suspended and this impacted on the delivery of the Audit Plan. A "recovery Internal Audit Plan" was drafted as Covid 19 infection rates continued to fall in quarter 2 with a plan to get back to "business as usual" as soon as possible. This was shared with and agreed by the Corporate Leadership Team.

3.2.4 However whilst it is important to have a plan there is a need to be flexible and agile to deal with issues which are likely to emerge from the effect of the second wave, which is now being experienced, and Assurance requirements which are coming from Government relating to initiatives which have arisen from both the first wave and now the second. There has been and there will be more operational imperatives to deliver new activities not previously undertaken by the organisation. This will include having systems in place, with sufficient controls to deal with issues such as Test and Trace Isolation payments and new payment systems to support businesses which may be forced to close in any further restrictions associated with any possible move into Tier 3. To be able to implement these effectively these processes need to be worked on in advance. The support work from Internal Audit has included and will include giving advice on new controls, processes, governance and financial procedures being put in place temporarily across the Council to reflect new ways of working, including home working and greater use of IT, as well as new responsibilities being placed on the Council with very tight timescales.

3.2.5 In the first quarter Members of staff were redeployed to be part of the Shielding team or redeployed to assist the team checking and processing of business support grant payments.

A commitment has been given that where circumstances dictate there is the possibility that those resources may again be redeployed and so any plan must be aspirational and flexible to allow for emerging challenges and risks to be dealt with immediately.

- 3.2.6 As well as providing advice, guidance and challenge on the system set up, auditors have separately carried out checks to identify any instances of fraud and irregularity in the claims for Business Support Grant payments and Discretionary Business Grants and following up where needed. It has also liaised with government and public sector counter fraud organisations to share intelligence reports, counter fraud tools and best practice in response to risks arising from those using the pandemic to commit fraud. There continues to be regular monitoring and assurance work required from Government on this and will do into next year. Further information is included in Part 2 of the agenda.
- 3.2.7 A specific area of regularity that is impacted by COVID-19 is the potential for fraud and error in expenditure, which is heightened due to the pace of the COVID-19 response. At the last meeting it was stated that a revised Internal Audit plan, which considered the new emerging risks was being drafted. This needed to be flexible and agile and was shared with Senior Management for consultation having taken into account advice from professional bodies and colleagues in the sector. It also needed to include the requirements from Government such as in the Test and Trace Support Grant, which includes a condition that the Chief Executive and Chief Internal Auditor are required to sign and return a declaration that grant conditions have been met. Since being agreed by the Corporate Leadership Team it has been updated to reflect new risks and priorities. Whilst it is sensible to have a priority list of audits to complete the current situation dictates that we need to be realistic. An online meeting of Audit Teams across London was held on the 9th October to reflect the experience of teams meeting these challenges. Concerns had been raised as to how evidence can be gained to provide the Annual Assurance Statement required in the Accounts & Audit Regulations. It was agreed that you do not have to have completed a traditional audit to gain assurance. For example, the pre-assurance work on systems such as for Support Grants and Isolation Payments can be used. The revised plan is attached as Appendix A with the Caveats above that this could be affected further by the impact of Covid 19.
- 3.2.8 Significant work has taken place on Business Support Grants and Discretionary Support Grants. The Council has been reporting to BEIS each month the number and monetary amount of business grant payments made, together with the number and monetary amount of cases of fraud, error and non-compliance which we have identified. The BEIS has also asked all Councils to complete a Fraud Risk Assessment on the business grant payment process and complete a Post Event Assurance Plan. The purpose of the Plan is for us to set out the objectives, governance arrangements and what additional testing we will carry out now to identify any further instances of fraud and non-compliance in the business grant payment process which have not already been discovered. Further detail will be included in Part 2.
- 3.2.9 From 28 September 2020, individuals are entitled to a Test and Trace Support Payment or discretionary support payment of £500. This is to support people on low incomes who are unable to work from home if they are told to self-isolate by NHS Test and Trace and will lose income as a result. These payments are designed to help ensure people who have tested positive for COVID19 and their close contacts self-isolate for the required period to stop the onward spread of the virus. They are also designed to encourage individuals who are eligible for this payment to get tested if they have symptoms. This is important to help stop the transmission of COVID-19 and avoid further economic and societal restrictions. We have been working with Managers from the Exchequers Services and Liberata to ensure that controls within the system are robust enough to ensure those in genuine need are assisted within the timescales and that levels of fraud are kept to a minimum.

- 3.2.10 The Council has taken the decision to prepare in advance a process/service to pay local restriction grant payments (LRGS). The service would be invoked should Bromley independently or as part of a London wide lockdown move from the Covid Alert Level tier 2 (high) to tier 3 (very high). The Council has opted to include as part of the process proportionate claim validation checks prior to grant payments being made. This is to ensure the safe administration of grants and that appropriate measures are in place to mitigate against the increased risks of both fraud and payment error. We have been working with Managers from the Exchequers Services and Liberata to ensure that controls within the system are proportionate and effective.
- 3.2.11 Just prior to the release of this report the Government announced that they are providing additional funding to allow Local Authorities (LAs) to support businesses in high-alert level areas which are not legally closed, but which are severely impacted by the restrictions on socialising. The funding LAs will receive will be based on the number of hospitality, hotel, B&B, and leisure businesses in their area. Again we have been working with Managers from the Exchequers Services and Liberata to ensure that controls within the system are robust enough to ensure those in genuine need are assisted within the timescales and that levels of fraud are kept to a minimum.
- 3.2.12 The latest list of outstanding Priority 1 recommendations is shown in Appendix B. There have been some additions since the last meeting of this Committee, and these are detailed below. There has also been some movement in Priority 1 recommendations brought forward and these are detailed below.
- 3.2.13 A summary of key findings from audits completed to date follows. Members are reminded that the full redacted reports have been published with the agenda if they require further detail.

3.2.14 Business Rates

Audit opinion	Substantial
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- 3.2.15 The overall objective of the audit was to review governance and ensure controls are satisfactory to mitigate risk. Coverage and scope was discussed with management, taking account of previous internal audit work and known issues. This replaced the Terms of Reference for the Audit that was underway and suspended when the lockdown due to Covid 19 was introduced. The impact of Covid 19 on the service was considered including the:
- 12 month business rates holiday for all retail, hospitality and leisure businesses in England
 - A 12 month business rates holiday for childcare providers for 2020/21 where premises are wholly or mainly used for the provision of the Early Years Foundation Stage
- 3.2.16 Areas of review included:-
- Collection of business rates are accurate and in a timely manner.
 - Refunds are supported by relevant documentation.
 - Exemptions.
 - Arrears.
 - Monitoring of business rates is undertaken on a regular basis
 - Changes to processes, due to the pandemic have been consistently applied.
- 3.2.17 This review incorporated data from both 2019-20 and 2020-21.

- 3.2.18 From the sample testing undertaken, no issues arose. Changes to processes, due to the pandemic, had been consistently applied. One issue arose regarding the Business Improvement Districts (BID's). It was found that for the BID's for Bromley, Beckenham and Penge these are invoiced via Oracle Financials and not Academy which is the case for Orpington. It was confirmed that each BID area chooses which collection method they would like (either 'Daily Charging' or 'Chargeable Day'). Orpington BID is the only one that uses the 'Daily Charging' method of collection and therefore the Academy System is used instead of Oracle.
- 3.2.19 The BIDs are private organisations and therefore we as a Council do not have any influence over which method they choose. The contracts for the individual BID's are for a fixed term. As a result, no recommendation has been made.
- 3.2.20 It was also found that for the two previous audit recommendations, one had been implemented and the second one was redundant. Therefore, there are no recommendations.

	Number of recommendations made	Number of recommendations accepted	Risk accepted but no action proposed
Priority 1	0	0	0
Priority 2	0	0	0
Priority 3	0	0	0

3.2.21 Contract Governance and Documentation

Audit opinion	Reasonable
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- 3.2.22 The overall objective of the audit was to review the arrangements and processes in place for governance of contracts and supporting documentation. Our review sought to give assurance that contracts have been signed and sealed by all parties, are retained securely and can be located readily. We also sought to confirm that key documents associated with the contract such as performance bonds and indemnities are retained, available and current.
- 3.2.23 Controls noted to be in place and working well included the availability of signed contracts, including those signed and sealed by the Mayor where appropriate. A Performance Bond or Company Guarantee was evidenced for those contracts where we expected to see one, apart from one instance where the Bond continues to be sought by the Head of Service.
- 3.2.24 Five recommendations have been made to improve the control framework. These relate to arrangements for confirming that contractors have the required type and level of insurance in place and reviewing the current guidance on the uploading of contracts and key supporting documentation, including contract monitoring information to the Contracts Database.
- 3.2.25 We could not see that access to the current versions of the relevant Council policies are made available to contractors.
- 3.2.26 We also identified weaknesses in the arrangements in Legal Services for storing and locating deeds and contracts and have made a recommendation to address these, together with the introduction of a workflow system with electronic signature software for signing contracts.

	Number of recommendations made	Number of recommendations accepted	Risk accepted but no action proposed
Priority 1	0	0	0
Priority 2	4	4	0
Priority 3	1	1	0

3.2.27 Debtors

Audit opinion	Reasonable
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- 3.2.28 The overall objective of the audit was to review the arrangements in place for oversight and control over debtor activity which impact on the reliability of records, integrity of information and compliance with relevant regulations.
- 3.2.29 Controls noted to be in place and working well included the accurate and timely raising and coding of debtor invoices and credit notes, segregation of duty in raising debts and debt recovery action, with appropriate debt recovery actions subsequently taken in line with the Debt Recovery Policy and Procedure.
- 3.2.30 Appropriate controls were also in place for the authorisation to write-off debts, the undertaking of refund reconciliations and debtor control account reconciliations.
- 3.2.31 We would however like to bring to management attention the following issues:
- 3.2.32 Examination of the spreadsheet used by the exchequer contractor to monitor write offs and their status confirmed there were 40 cases where the write-off was waiting to be signed off by the Director of Finance / Assistant Director, Exchequer Services. Out of the 40 cases, 20 cases were sent over to the Council in 2019.
- 3.2.33 There was one instance in our sample testing where the supporting write-off pack could not be located and justification for the processed write-off could not be verified. This has now been seen and evidenced as correct.
- 3.2.34 Following a request, the auditor was not provided with the details of officers with access to view and amend the Oracle and ASH systems. Details of officers who have access to those systems have now been seen and confirmed as appropriate.
- 3.2.35 Three recommendations were made to improve the control framework. These relate to Management ensuring they can access / produce a report from systems of users able to access the system. Authorised users recorded as having editing rights on Oracle and ASH users should then be reviewed annually. This should be reviewed by management for continued appropriateness and signed off.
- 3.2.36 Management should undertake a monthly spot check of 5% of write offs processed to ensure the relevant write-off pack is retained on file or alternatively, a compensating control could be to undertake an automated data integrity check to highlight where evidence might be missing / fields incomplete, so that appropriate actions can be taken. The results of this check should be reported in the monthly monitoring reports visible to management.

3.2.37 The Council and Liberata management should agree a target time frame in which write-offs should be approved and processed from the date of request, to ensure any such debt is written off in a timely manner. The Council and Liberata should then work to this timeframe and enact an escalation process through the monthly contract monitoring controls in the event of non-compliance. Management have provided a comprehensive response to the recommendations.

	Number of recommendations made	Number of recommendations accepted	Risk accepted but no action proposed
Priority 1	0	0	0
Priority 2	3	3	0
Priority 3	0	0	0

3.2.38 Pension Fund

Audit opinion	Reasonable
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3.2.39 The overall objective of the audit was to review the arrangements and processes in place for governance of the pension fund.

3.2.40 Controls noted to be in place and working well included compliance with the Pension Regulator's Code of Practice on Governance and Administration of the public services pension scheme. The Pensions Investment Sub-Committee has terms of reference setting out its responsibilities for managing investments of the Pension Fund and regular meetings take place and are attended by an advisor from the Council's appointed Pension Fund Advisors.

3.2.41 There is a contract in place for the safe custody of cash and securities (including stock, shares, bonds etc.) and Actuarial Services. A triennial valuation has been completed and the valuation report was presented to the Pensions Investment Sub-Committee in January 2020.

3.2.42 Reports on fund manager performance are provided to the Council each month and Pension Fund overview reports are provided on a quarterly basis. These reports are presented to the Pensions Investment Sub-Committee.

3.2.43 Three recommendations were made to improve the control framework. These relate to the availability of minutes of the most recent meeting of the Pensions Investment Sub-Committee, the review of the Fund Manager Asset Reconciliation and the requirement for the Investment Strategy Statement to state compliance with the Myners Principles for pension fund investment, scheme governance, disclosure and consultation.

	Number of recommendations made	Number of recommendations accepted	Risk accepted but no action proposed
Priority 1	0	0	0
Priority 2	2	2	0
Priority 3	1	1	0

3.2.44 Street Lighting

Audit opinion	Reasonable
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3.2.45 This audit focused on a review of governance and management of the contract to ensure controls are satisfactory and mitigate risk, that any revised service delivery arrangements put in place in recent months as a result of COVID-19 have appropriate governance arrangements and that the current and future business needs of the service are maintained.

3.2.46 Recommendations to improve the control environment have been made for the following areas:-

3.2.47 The end to end procedure for delivery of the Street Lighting service should be formally documented, and a review undertaken of the training needs/requirements of staff managing/monitoring the contract.

3.2.48 When manually overriding and 'allowing' jobs which the automated reporting identifies as breaching the Low Service Damage indicator criteria, the rationale should be clearly documented and the retained. Documentation in which Low Service Damages are reported should be reviewed, and amended as appropriate, to ensure consistency of 'working day/calendar day' narrative.

3.2.49 Street Lighting jobs are not routinely supported by 'before and 'after' photographs identifying the asset, its location, the date and time. Consideration should be given to obtaining photographic evidence to support works orders and the remeasurement process.

3.2.50 The recommendations have been accepted by management.

	Number of recommendations made	Number of recommendations accepted	Risk accepted but no action proposed
Priority 1	0	0	0
Priority 2	2	2	0
Priority 3	2	2	0

3.2.51 Troubled Families Claim – September 2020

Audit opinion	The evidence seen by Internal Audit demonstrates that the grant claim conditions have been met
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- 3.2.52 The Troubled Families Programme is a programme of targeted intervention for families with multiple problems, including crime, anti-social behaviour, truancy, unemployment, mental health problems and domestic abuse.
- 3.2.53 It is led by the Ministry of Housing, Communities and Local Government, in partnership with the Departments for Education, Health, Work and Pensions and Ministry of Justice. A local authority can claim a results payment if it can demonstrate that an eligible family has achieved significant and sustained progress against all problems identified at the point of engagement and during the intervention or if an adult in the family has moved into continuous employment.
- 3.2.54 In March 2020 the Council achieved both the attachment and payment by results target of 1,700 families for Phase 2. Claims can continue to be made however and therefore we analysed a random sample of the 70 individual claims for the claim period between 1 April 2020 and 30 September 2020. From our testing we found that there was documented evidence to support that the individual claims sampled met the significant and sustained criteria, enabling a claim to be made.
- 3.2.55 We also confirmed that the total amount claimed for payment by results for the 70 individual claims submitted between the period 1 April 2020 and 30 September 2020 was £56,000.

3.2.56 Local Transport Revenue Block Funding (Blue Badge New Criteria Implementation) Specific Grant Determination (2019/20): No. 31/3936

Audit opinion	The evidence seen by Internal Audit demonstrates that the grant conditions have been met
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- 3.2.57 On 27th January 2020, the Department for Transport confirmed that a 2019/20 Local Transport Revenue Block Funding (Blue Badge New Criteria Implementation) Grant Allocation of £6,585.67 had been awarded to the London Borough of Bromley.
- 3.2.58 The Chief Executive and Chief Internal Auditor of each of the recipient payment authorities were required to sign and return to the Blue Badge Team Leader at the Department for Transport a declaration, no later than 31st July 2020, in the following terms: 'To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to Local Transport Revenue Block Funding (Blue Badge New Criteria Implementation) Specific Grant Determination (2019/20) [31/3936] have been complied with'
- 3.2.59 Based on discussions with officers and a review of the records held, Internal Audit has gained appropriate assurance that the conditions of the grant determination have been met, with the signed declaration submitted on 16th July 2020.

3.2.60 Integration and Better Care Fund: the Disabled Facilities Capital Grant (DFG) determination (2019/20): No. 31/3710

Audit opinion	The evidence seen by Internal Audit demonstrates that the grant conditions have been met
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- 3.2.61 In May 2019, the Housing Support Division, Ministry for Housing, Communities and Local Government confirmed, by letter, that a 2019/20 Disabled Facilities Grant Allocation of £2,152,696 had been awarded to the London Borough of Bromley.
- 3.2.62 The Chief Executive or Chief Internal Auditor of each of the recipient payment authorities is required to sign and return to the Housing Support Division of the Ministry for Housing, Communities and Local Government a declaration, to be received no later than 31st October 2020, in the following terms: "To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to the Disabled Facilities Capital Grant Determination (2019-20) No [31/3170] have been complied with".
- 3.2.63 Based on discussions with officers and a review of the records held, Internal Audit has gained appropriate assurance that the conditions of the grant determination have been met however, within the 2019/20 Financial Year, a spend of £1.591m against the budget was achieved. The remainder has been carried forward and mandatory DFG work, whilst restricted by COVID-19 at the commencement of the 2020/21 financial year, continues, with a further £233k spent during the first quarter.

3.3 Priority 1 Follow Up

3.3.1 The latest position with regard to the Priority ones are as follows:

3.3.2 Leaving Care Priority 1 update

- 3.3.3 Members were previously informed that two of the six Priority 1 recommendations identified in the Leaving Care Audit finalised in October 2018 had not been fully implemented. These recommendations related to the reconciliation of grant sheets to the finance records and for the Individual Service User Finance Records to be a comprehensive record of all payments made to that service user.
- 3.3.4 A new process had been implemented from January 2020 and appropriate training undertaken. At the time of the February 2020 update to this Committee, the Finance Monitoring Officer had completed the backdated reconciliations to December 2019 however this did not provide a sample large enough to test and was therefore not undertaken.
- 3.3.5 For the update to the July meeting it was agreed that Internal Audit would not complete testing to measure the progress to implement Priority 1 recommendations given the additional pressures faced by frontline staff during the COVID19 crisis. Management provided an update confirming that the project to backdate and reconcile financial records for each child was still in progress.
- 3.3.6 To evidence progress to implement the two outstanding priority one recommendations management have provided an update and audit testing has been completed. The grant sheets have been replaced by the individual payment and grant record held on Carestore. Supplementary reports have been set up for the department to assist the service these include:-
- CYP Leaving Care Stream Reconciliation per Client
 - CYP Accommodation Support
 - CYP Auto payments
- 3.3.7 The Leaving Care Stream Reconciliation per Client is a Carefirst Business Objects (BOXI) report. ; BOXI being the reporting tool within CareFirst. BOXI reports are used widely by CareFirst users including the Finance, Commissioning and Performance teams.

3.3.8 The sample testing of 5 individual cases undertaken in October 2020 was satisfactory and evidenced that the two outstanding recommendations relating to the financial records for Leaving Care clients have been implemented and can now be closed.

3.3.9 Strategic Property – Priority 1 update

3.3.10 At the previous meeting Members were informed that the Director of Housing, Planning, Property and Regeneration would be reporting to the Executive in July that the contract with the Contractor to deliver the Strategic Property function would be terminated. Members are referred to that report setting out the timetable for ending the current contractual arrangements.

3.3.11 For this meeting the Director of Housing, Planning and Regeneration confirmed that the contract with Facilities Services Contractor would be continuing for 12 months but reduced to the Facilities Management function only. The Strategic Property element will be brought back in house and market testing is being undertaken to identify how the Authority can effectively manage our portfolio and investments.

3.3.12 The original Priority1 recommendation related to the validation and monitoring of £1m Income Generation Plan. The Assistant Director, Strategic Property attended this Committee in February 2020 to update on the achieved savings and advised Members that the £1m target would not be achieved. The priority 1 recommendation had remained open as the contractual arrangements with the Contractor were under review but now the termination has been agreed this Priority 1 can be closed.

3.3.13 No Recourse to Public Funds – Priority 1 update

3.3.14 The audit review of NRPF within Children's Services finalised in July 2019 identified one priority 1 recommendation relating to the procurement, contractual arrangements and cost of accommodation. Following the audit, the Department liaised with Housing colleagues to provide accommodation options and for the NRPF Team to complete the booking and formalise the accommodation for each family.

3.3.15 At previous meetings Members were informed that the NRPF had implemented the recommendations however the new procedures and reassigned task for the team to create service agreements on CareFirst would need time to be embedded and tested. For the previous meeting in July the follow up testing had shown that the information shown on CareFirst did not relate to actual service delivery as there had been a delay in setting up and authorising service agreements for two new clients.

3.3.16 For this update the CareFirst report generated and issued to the Head of Service on the 2.9.2020 was compared to the information held on the NRPF records. There were 4 families shown on CareFirst as receiving support for accommodation; 5 families were shown as current on the locally held records. The difference was satisfactorily explained by the time delay in authorising the service level agreement. The Referral and Assessment Business Support Officer (BSO) confirmed that agreed procedures were working well and there was access to advice and support from the Placements Coordinator, Central Placements Team.

3.3.17 The priority 1 recommendation was concerned with the non-compliance to Contract Procedure Rules to procure accommodation, the use of a single Housing provider with no contractual arrangements in place and no oversight of cost and value for money. All these findings were remedied in the first follow up review for the February 2020 Committee but ongoing changes to procedure and issues with timing and accuracy of information reported on CareFirst necessitated the priority 1 recommendation to remain open. These issues have been resolved and the recommendation considered fully implemented.

3.3.18 Starters and Leavers – Priority 1 update

- 3.3.19 The audit review of Starters and Leavers finalised in September 2019 reported 1 priority 1 recommendation relating to the notification process for managers to inform IT and other **relevant** departments of staff leaving the Authority. The responsibility to implement was shared between IT and HR. The Head of ISD and Head of Information Management undertook to progress an IT solution incorporated in the new version of Sharepoint to be rolled out in 2020. The Head of HRIS and Reward agreed to look at and improve the interim processes when an officer leaves the Council and the notifications to the relevant Departments. It was also agreed that HR would issue a reminder to Managers Briefing about the leavers process. This would include a reminder to all Directors and Heads of Service to reconcile EBM information regularly.
- 3.3.20 The update for the July Committee confirmed that the IT solution was to introduce a leaver form. A provider had been engaged to make the necessary changes and the project due to start on the 16th June but would also be dependent on the wider Information Management Transformation project. IT confirmed that a monthly report was received from HR and stored on the shared area for the BT Desktop Team to access. This control document should ensure timely action to disable the user account whilst the online leaver form point on SharePoint is developed and activated. It is acknowledged that this check by BT is not part of the formal scope of services and does not replace the requirement for the responsible line manager to complete the workforce amendment form as this sets out access preferences once an account is disabled.
- 3.3.21 For the update to this Committee and to test the interim procedures to notify IT and appropriate departments of all leavers, HR were asked to generate reports to show LBB and agency officers who have left the Authority since April 2020. A sample of 10 LBB officers was selected from a total of 46 leavers and similarly 10 agency officers selected from 92. The sample was selected from all divisions to gauge managers compliance to the agreed leavers procedure. The primary objective was to establish if the officers account had been disabled when they left the Authority; the BT Operational Team confirmed the status of each account as at 23 and 28 September. Internal Audit checked the sample to both Outlook and Skype to establish information displayed and phoned the respective line managers to discuss how the leaving process was followed specifically the collection of laptops, LBB equipment and the security pass.
- 3.3.22 For the LBB officers, 8/10 cases checked still had an active account – 1 was confirmed as still working for Bromley on a temporary contract but for 7 the workforce amendment form had not been completed. For 7/10 agency workers checked they still had an active account – 5 had been transferred to new engagements and currently working for the Authority but for 2 agency staff a work force amendment had not been done, both managers had assumed that the account would be disabled when the contract to engage the agency worker ended. The IT Contract and Operations Manager confirmed that she would be discussing the audit findings with the BT Operations Team to establish why the ‘safety net’ check had not identified these outstanding accounts.
- 3.3.23 For the check on physical items the results for the sample of 20 leavers were positive, in all cases the managers had retrieved laptops, mobiles and where appropriate LBB equipment. The security ID pass had not been collected in all cases and management will need to be advised of the need to either have the pass returned to be destroyed or to have assurance that the officer has destroyed the pass.
- 3.3.24 The results have been discussed with both HR and IT colleagues to facilitate change and support the review of leavers process prior to transfer to the new online leavers form.

- 3.3.25 Looking forward to the implementation of the new online process the Head of Information Management confirmed that *“the project to implement an online Starter, Mover and Leaver form is progressing well. The forms are actively being created and the new process and training for System Administrators is being produced. The project anticipates being in a position to commence user acceptance by 26th October with roll out towards the end of November 2020.”*
- 3.3.26 The current system relies on the manager completing the workforce amendment form to alert the IT contractor to disable the account. When the new process is rolled out the starting point will be the online form to be distributed to all appropriate departments primarily HR, payroll and IT but also Facilities Management for access and parking and Finance for Procurement card and authorised signatories.
- 3.3.27 The audit testing this cycle identified that managers had not completed the work force amendment in a timely manner to disable accounts. Following discussion at CLT on the 20/10/20 the Chief Executive directed that a list of all leavers be sent to each Directorate and advised that the leavers process must be completed by 23/10/20; IT would disable all accounts still active for leavers after this deadline.
- 3.3.28 At this time the Priority 1 recommendation will remain open. The next update to this Committee will be post implementation of the new leavers form and identified weaknesses in the current system remedied.
- 3.3.29 Highways Maintenance – Priority 1 update**
- 3.3.30 At the previous meeting Members were informed of the progress to implement 3 priority 1 recommendations relating to the selection process of highways schemes for major works programme, management of the delivery of agreed highways schemes and controls on reconstruction and widening of vehicle crossovers as part of footway schemes.
- 3.3.31 For the July update Internal Audit acknowledged that management had submitted three process documents to evidence implementation of two of the priority 1 recommendations that related to the need for written procedures. However, management were advised that these procedures would need to be embedded before effective testing by Internal Audit.
- 3.3.32 For update to this Committee the recommendation relating to the selection of schemes is considered closed; Management have satisfactorily evidenced implementation.
- 3.3.33 For the two recommendations relating to carriage repairs and footway schemes Internal Audit are currently reviewing a sample of cases and will report to Committee at the meeting.
- 3.3.34 Business Continuity and Emergency Planning – Priority 1 update**
- 3.3.35 At the previous meeting in July Members were informed that given the direct impact of the current crisis for the lead officer responsible for Business Continuity and Emergency Planning the follow up and update on the progress to implement the outstanding priority 1 recommendation would be considered for the November meeting.
- 3.3.36 The outstanding priority 1 recommendation related to the testing and exercising of the Business Continuity (BC) plans. The COVID-19 crisis interrupted the testing programme however the Emergency Planning and Corporate Resilience Lead (EP&CRL) set out a series of initiatives and actions that evidence that the recommendation has been implemented.
- 3.3.37 The EP&CRL set out four areas to evidence implementation his comments are set out in the sections below: -

- **Command and Control**
An integral part of the BC management procedures revolve around the setting up of an incident command structure to effectively manage the BC situation to a conclusion. The strategic, tactical and operational roles are well understood by the Directors who have received strategic command and control training. Since the end of last year our Directors have maintained an on call Strategic lead (Gold) for business continuity and emergency planning incidents via a weekly on call roster, further increasing our capability and capacity to respond. The recent server issues experienced in July 2020 successfully tested this command and control initiative.
- **The use of BC plans during a live incident**
The server incident evidenced all Directorates use their BC plans. Staff were informed of the situation using the documented communications cascade system and arrangements were put in place following the guidance within the plans relating to an IT failure. Following the incident plan holders updated their plans where required. This live incident provided a much more effective test for our plans, increased staff awareness and gave managers confidence and experience in using their plans.
- **COVID-19**
The pandemic presented an excellent opportunity to live test our BC planning. The actions taken following denial of site access to continue our operations is a key component of our BC plans. Once the lock down was announced over 1400 staff began to work from home. The vast majority continue to do so. Our IT infrastructure has delivered a stable platform for this to take place and organisationally we have continued to deliver services to residents. This live ‘test’, which has been ongoing now for six months proves the BC capabilities of our systems and staff. The pandemic has also enabled contract owners to review the BC plans of our major suppliers to fully understand their plans and capabilities.
- **Second Wave Preparations**
By utilising the work previously completed identifying priority services, Directors have put together a process to draw in staff to assist in a second wave scenario from Priority 4 and Priority 3 services, depending on need. This approach will ensure that the highest priority services are maintained, with capability and capacity available to manage identified second wave requirements. The prioritisation of service delivery is a key component to the BC management plan, designed to be used in this very situation.

3.3.38 The application of BC plans during a live incident from start to finish and the ongoing challenges of COVID-19 with a potential second wave and demands on resources has evidenced satisfactory implementation of the outstanding priority 1 recommendation and the need to test and exercise BC plans. The Priority 1 recommendation is now closed.

3.3.39 Schools Finance Team – Priority 1 update

3.3.40 The Internal Audit review of the Schools Finance Team identified one priority 1 finding relating to the contract management of the Service Level Agreement for the Contractor to deliver the service.

3.3.41 As the contract owner, the Head of Finance, Children, Education and Families addressed the issues raised in the audit report by formalising the monthly monitoring meetings held with the

Contractor Service Lead. The minutes of these meetings have been issued to and agreed with the Contractor; KPIs are considered on an exception basis with action to be taken, assigned to either LBB or the Contractor's officers.

3.3.42 The minutes for March and September were satisfactorily reviewed giving an adequate level of detail to support discussion and outcome. It was accepted that the minutes for the summer months were less formal but had been impacted by the resource pressures and change in priorities as a result of Covid19 and that the schools had been closed during lockdown; July and August are also quiet months for an Education based service.

3.3.43 The audit report had highlighted a potential risk as the Head of SFT retired in January and at the time of the Internal Audit report the post had not been filled. The contractor successfully recruited to the position and the officer has been in post since January 2020.

3.3.44 The Priority 1 recommendation is considered closed.

3.3.45 Procurement Cards – Priority 1 update

3.3.46 The audit review of purchase cards carried out at the end of 2019 resulted in three Priority 1 recommendations being made. One recommendation was that the responsibility and accountability of those teams and individuals involved in the different tasks or objectives of the purchase card system should be clarified and agreed.

3.3.47 Recommendations were also made to address two other issues. One of these related to the processing and approval of outstanding purchase card transactions, with system reports run later by management to check that these had been cleared. The other recommendation was for card holders to complete correctly the VAT field for transactions which they input to the purchase cards system and to upload a valid VAT invoice to support any VAT claimed.

3.3.48 We are carrying out another purchase card audit in the coming weeks and will check, as part of our testing, that these three Priority 1 recommendations have been implemented.

3.3.49 Tax and National Insurance Issues arising from the Procurement Card Audit – Priority 1 update

3.3.50 The audit review of purchase cards carried out at the end of 2019 identified two Priority 1 recommendations relating to the tax and National Insurance Contribution arrangements for items purchased using the cards.

3.3.51 The recommendations were that advice should be sought regarding the payment of tax and NIC by the Council to HMRC for gifts and meals purchased during the last tax year by officers using purchase cards and merit award payments to third parties. Following publication of the audit report, HR engaged their advisors on tax issues and they liaised with HMRC on the Council's behalf. Consequently, HMRC decided not to pursue the tax liability for the transactions identified during the audit, as they amounted to a relatively small amount. Taxed Award Scheme forms for the merit awards made for the year ended 5 April 2020 and the previous years have now been completed and submitted to HMRC.

3.3.52 These issues have therefore been resolved and the recommendations are considered fully implemented.

3.3.53 St Olaves School (Priority 1 update)

3.3.54 At the previous meeting Members were informed that two priority 1 recommendations had been raised following the audit review of St Olaves Grammar School. The first finding related to the expenditure process; non-compliance to Financial Regulations, poor project

management and lack of financial control had been identified for the project to redevelop and refurbish the Headmasters House to create office and conference accommodation. The second finding related to Financial Management, several issues had been identified including cash flow, Governor sign off for the 2019/20 budget and information passed to the Finance Manager to allow timely and accurate update to the Financial Management System.

- 3.3.55 There is a planned audit of the school at the end of the Autumn Term which will follow up all previous recommendations and complete further testing on both expenditure and financial management. To comply with Government guidelines during this current COVID19 crisis the auditors will not be attending the school but will liaise with the School Finance Manager to make available the documents required for audit review.
- 3.3.56 To provide an update for this Committee the school have been asked to provide evidence to support implementation and progress to implement elements of the two priority one recommendations. It is acknowledged that the school have had significant challenges in the 8 months since the audit report was finalised; COVID19 and the impact of lockdown then reopening the school to be COVID compliant and that the SBM position has been vacant since the previous holder left the school with effect from April. Both factors have necessitated a change in procedures and an increased workload for the Finance Manager to cover two roles. To evidence an adequate separation of duties, the Clerk of Governors (CEO of the Foundation) and a qualified accountant has attended the school one day a week since September to offer financial support at a strategic level. The Chair of Finance has also liaised and met with the Headteacher, the Clerk of Governors and Finance Manager to scrutinise and challenge the finance function.
- 3.3.57 For the expenditure process the Finance Manager confirmed that since the Internal Audit report the school have not undertaken to project manage any major projects. The construction of the Fives Court has been project managed by the company previously used by the school. It was previously raised that the school should consider the cumulative spend with this company to ensure compliance to Financial Regulations and is noted that Governors of the Finance Committee have minuted that the service provided by this company needs to be retendered. The audit review had identified examples where a waiver should have been used to support a decision and although this has not yet been required the Finance Manager confirmed that a waiver process has been agreed and will be applied when appropriate. A sample of 5 payments was selected for audit examination but there has not been adequate time for the supporting documentation to be collated and scanned and will therefore be part of the main audit later this term.
- 3.3.58 The school have engaged with the Local Authority to seek advice and guidance; from the Head of Procurement, to retender key contracts in the school and from Internal Audit, short term changes to the payment process imposed by availability of officers during lockdown.
- 3.3.59 For the financial management finding, documents have been submitted to support progress to implement. The 2020/21 final budget was signed by Chair of Governors, the Income and Expenditure report dated 30.9.20 confirmed a balanced budget with £250K reserves. The school have improved the processes to control and manage cash flow, formalising the drawdown of funds from the Foundation and ensuring that the overdrawn incident in October 2019 is not repeated. The Management Accounts will be presented to the Finance Committee on the 21st October, this report and minuted discussion will be reviewed during the full audit.
- 3.3.60 Given the issues currently faced by the school it was agreed with the Headteacher that this update would be a progress report, the full audit will allow adequate testing to give assurance that all issues have been addressed. Both P1 recommendations will therefore remain open at

this time, however it is acknowledged that the school have evidenced and implemented elements of both P1 recommendations.

3.4 Publication of Internal Audit Reports

3.4.1 Since the last cycle of this Committee, we have published 8 redacted final reports, listed in the table below. At the request of Members of this Committee, we have included the audit opinion given to each audit.

AUDIT	OPINION
Business Rates	Substantial
Contract Governance and Documentation	Reasonable
Debtors	Reasonable
Pension Fund	Reasonable
Street Lighting	Reasonable
Troubled Families Claim	The evidence seen by Internal Audit demonstrates that the grant claim conditions have been met
Local Transport Revenue Block Funding (Blue Badge New Criteria Implementation) Specific Grant Determination (2019/20): No. 31/3936	The evidence seen by Internal Audit demonstrates that the grant conditions have been met
Integration and Better Care Fund: the Disabled Facilities Capital Grant (DFG) determination (2019/20): No. 31/3710	The evidence seen by Internal Audit demonstrates that the grant conditions have been met

3.4.2 For current definitions of audit opinions, see below:-

Assurance Level	Definition
Substantial Assurance	There is a sound system of control in place to achieve the service or system objectives. Risks are being managed effectively and any issues identified are minor in nature.
Reasonable Assurance	There is generally a sound system of control in place but there are weaknesses which put some of the service or system objectives at risk. Management attention is required.
Limited Assurance	There are significant control weaknesses which put the service or system objectives at risk. If unresolved these may result in error, abuse, loss or reputational damage and therefore require urgent management attention.
No Assurance	There are major weaknesses in the control environment. The service or system is exposed to the risk of significant error, abuse, loss or reputational damage. Immediate action must be taken by management to resolve the issues identified.

3.4.3 We have also carried out the following

- Fraud and investigations work – the results of which are reported in Part 2 of this agenda.
- Advice and support – Internal Auditors are available to offer advice and consultation to all officers. The input required from Internal Audit varies; ad hoc enquires will be received by e-mail, phone or in person. Internal Audit also attend working groups to advise on system controls and good practice.
- Monitoring/authorisation role for the Greenwich Fraud partnership.
- Committee work.
- Internal Liaison with the Corporate Leadership Team/Directors' Group; Directorate Management Teams and Corporate Risk Management Group.
- External liaison with the London Audit Group, and our External Auditors

3.5 Risk Management

3.5.1 It was agreed by the Committee that risk registers would be reviewed at least six monthly, updated and reported first to Audit Sub Committee and then to the respective PDS Committees. Risks marked as 'Red' (High) are presented to every other meeting of the relevant PDS committee for noting.

3.5.2 The Corporate Risk Management Group met virtually on 25th September 2020 and the current risk registers are attached at Appendices C1 to C9. Since the last Audit Sub Committee meeting in July, the 'Cause, Effect, Control and Action' elements of the Corporate 'Impact on COVID-19 pandemic on service delivery' risk have all been refreshed.

3.6 Waivers (Appendix D)

3.6.1 Members of this Committee took the decision to only report on waivers sought under the Contract Procedure Rules 3 and 13.1 and to therefore exclude specific exemptions provided to officers under the Council's Scheme of Delegation which relate to social care placements. As required by the Contract Procedure Rules (CPR) this Committee has to be updated on waivers sought across the Authority at six monthly intervals.

3.6.2 The Assistant Director Governance and Contracts (AD G&C) has written and issued a series of practice notes related to the information and actions stipulated by the Contract Procedure Rules. Practice note 1 issued to all contract owners included a section on waivers:-

3.6.3 *Waivers (extensions, variations, exemptions) – Contract Owners need to report these to Audit Sub bi-annually where they are over £50k. Make sure you are recording these so you can pass the information to Internal Audit upon request, who then make the report to Audit Sub on your behalf.*

3.6.4 The waivers reported should include all exemptions, extensions and variations as defined in 13.1 of Contract Procedure Rules with reference to 3.1, 3.5.5 and 23.7.

3.6.5 For this committee cycle the Assistant Director Governance and Contracts (AD G&C) generated a report from the Contract Database to identify contracts that met the criteria for the period April 2020 to September 2020. This information has been checked to the database, supporting documentation and Gateway reports to upload to the standard template shown at Appendix C. The cumulative and annual values have been replaced by the financial information available in the relevant documentation this time.

- 3.6.6 In a report to the Executive through the Leader in April 2020, the AD G&C sought authorisation to take appropriate procurement action due to the impact of the COVID-19 pandemic.
- 3.6.7 The report set out short to medium term measures including variations as appropriate for provider financial support and sustainability and, where necessary, direct award of contracts without competitive tender due to reasons of urgency. Addressing the longer term, the report noted the Council will need to take suitable procurement action for contracts due to end over the next 18 months where retender processes may not be feasible at this time or may be delayed. In practice this will most often mean extending the contract beyond term using Regulation 72 of the Public Contract Regulations.
- 3.6.8 It was agreed that appropriate procurement action, prompted by the unforeseeable emergency involving disruption to Council services, would be delegated to Chief Officer level, with agreement from the Directors of Finance and Corporate Services and the relevant Portfolio Holder (where otherwise it would have been a Portfolio Holder decision). The delegated authority was put in place for six months from April 2020. The period elapsed at the end of September 2020.
- 3.6.9 The Leader's decision dated and implemented on the 24/4/2020 stated:-
- 3.6.10 *"That delegated authority be granted to chief officers to take appropriate procurement action to manage contracts during and after the current public health measures for six months from 1st April 2020, and specific action to support the sustainability of Adult Social Care Providers be authorised for a period of three months from 1st April 2020."*
- 3.6.11 Members are asked to review this list and comment as necessary, preferably prior to the meeting so that officers can extract the details on queried waivers.

3.7 External Audit Update

3.7.1 Progress and Update on the 2018/19 accounts:

The 2018/19 accounts were signed (with an unqualified opinion) by EY on 13th August and have been published on the Council's website. The VfM opinion and Audit Certificate remain outstanding as we have the outstanding objections from 2016/17, 2017/18 and 2018/19.

3.7.2 Progress and Update on the 2019/20 accounts:

The 2019/20 draft accounts were published (and made available for public inspection) on 30th June. The audit of the main accounts and pension fund started during August and is ongoing. The deadline for sign-off and publication is 30th November; with this in mind we have suggested a GP&L meeting takes place on 25th November to receive a report on the results of the audit. As noted above, the VfM work will remain in abeyance until work on the objections has been completed.

3.7.3 Update on Electors Objections:

As noted, we have objections outstanding for 3 years of account. We have received no objections in relation to 2019/20 and the inspection period is now closed. For the 2016/17 and 2017/18 objections, we have spoken to KPMG and meetings are being arranged to progress matters – we anticipate that these will take place during October/November. Once KPMG has concluded its work, EY will look at the 2018/19 objection, informed by the conclusions that KPMG has made.

3.7.4 Audit Fees

Whilst our external auditor, EY, has produced an audit plan for 2019/20, though the audit fee has yet to be agreed. PSAA has set a fee of £91,689, whilst EY has proposed a fee of £188,271. The Director of Finance has asked PSAA to facilitate a meeting on this matter with EY, which it is hoped will lead to agreement on a revised fee.

3.8 Financial Regulations 2020 (Appendix E) – Summary of the Main Changes

- 3.8.1 Internal Audit has undertaken a review of Corporate and School's Financial Regulations. They needed to be updated not only to reflect changes relating to schools and other areas as well as reflect latest departmental structures and responsibilities.
- 3.8.2 Internal Audit have consulted with colleagues in Finance, Legal, HR, Strategic Property and Information Systems and there was also consultation with the Corporate Leadership Team and Corporate Risk Management Group to finalise the draft document.
- 3.8.3 Where necessary and advised by the appropriate officer, references to current legislation have been updated. Similarly, references to reporting frequencies, authorisation limits and terminology have been updated.
- 3.8.4 Where possible, lengthy descriptive passages have been replaced by links to policy documents held on OneBromley with the contact officer charged with the responsibility to update to ensure information is current.
- 3.8.5 The main changes to the Corporate Financial Regulations can be summarised as follows:-

Section 5 - Authorisation Limits

- 3.8.6 Heads of Service have been added as having the same approval limits as an Assistant Director.

Section 18 - Land and Property

- 3.8.7 The Assistant Director, Strategic Property, has provided a revision of this section to reflect the recent move to the adoption of the Corporate Landlord approach. Section 18.11 specifies the need for the Insurance Manager to be informed of any changes to the properties held by the Council to ensure the Insurance schedules are accurate.

Section 22 - Information Systems

- 3.8.8 The Head of Information Management provided the update to include two new sections – *“All officers are responsible for ensuring the accuracy and integrity of any information input and stored within the Council's financial and management information systems”* and that, *“Chief Officers shall be responsible for ensuring that they and their staff comply with the Council's IT Security Policy & Guidelines and the Data Protection”*.

Appendices

- 3.8.9 The Protocols and Supplementary Information has been replaced with numbered Appendices.
- 3.8.10 Appendix 2 – Retention of Documents – Update provided by the Information Architect and System Analyst – Service specific sections and tables of guidance removed and replaced with a link to the Corporate Retention Schedule.
- 3.8.11 Code of Conduct – Gifts and Hospitality has been removed from the appendices - the Gift & Hospitality policy used by HR has been inserted via a link within section 23 of the Financial Procedures.

3.8.12 Appendix 5- Late Payments of Debts has been added.

3.8.13 Financial Regulations for Schools 2020 (Appendix F) - Summary of the Main Changes

3.8.14 An administrative update of the Regulations was issued to all Bromley Maintained Schools in February updating contact names, change in job titles, EU financial thresholds and notice periods and to remove and replace out of date information.

3.8.15 They have now been reviewed in line with the Corporate Financial Regulations for more substantive changes, which can be summarised as follows:-

Section 3.7 Raising Concerns in Schools

3.8.16 This section had previously referred to Appendix 2 “Procedures for Raising Concerns in Schools”. This appendix has been removed and section 3.7 now refers to the Corporate Raising Concerns (Whistleblowing) Policy; a hard copy will be issued with these Regulations. The Director of Education and the Liberata Schools’ Team would be the first point of contact for guidance and the Council’s Human Resources Division would also be able to offer advice.

Section 5 - Orders for Goods, Works and Services

3.8.17 The procedure to be followed will be determined by the estimate of the cost of the required goods or services. The procedures would now be in line with the Corporate Contract Procedure Rules. The main change for the schools will be that tendering is now required for expenditure over £100K and three written quotes are required for expenditure between £5K and £100K.

Section 6 - Contracts

3.8.18 This section has been replaced by the Corporate Contract Procedure Rules that will be issued with these Regulations. It should be noted that the Council’s Procurement Team will be the point of contact to offer advice and guidance but the responsibility for all procurement will be with the school.

Section 7.6.1 - Purchasing on the Internet with Approved Cards

3.8.19 The Regulations now specifies that the Royal Bank of Scotland is the approved provider.

Section 21 - Retention of Documents

3.8.20 This section was supported by appendix 11; this has been removed. The Director has determined that the Financial, Payroll and Pension records should be kept in line with the Information and Records Management Society of the UK “School’s Toolkit”.

Appendices

3.8.21 Appendices 4, 8, 12,13 and 14 were removed from the Regulations issued in February, appendices 2 (Raising Concerns in Schools) and 11(Retention of Documents) have also been removed.

3.8.22 The remaining 7 appendices have been renumbered in the document and updated. All sections and appendices detailed on the contents page are hyperlinked to the relevant page.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The content of this report will have implications for both adults and children in respect of audits that will be undertaken in both Adult and Children’s Services

5. POLICY IMPLICATIONS

None

6. FINANCIAL IMPLICATIONS

6.1 Some of the findings identified in the audit reports will have financial implications

7. PERSONNEL IMPLICATIONS

7.1 Where appropriate and following a reasonable management investigation, a disciplinary process may be initiated in response to poor practices or/and misconduct.

8. LEGAL IMPLICATIONS

8.1 Under section 1 of the Local Government Act 1972, the authority is required to make proper arrangements in respect of the administration of its financial affairs.

8.2 The provisions of the Accounts and Audit Regulations 2015 require the Council to maintain an adequate and effective Internal Audit Function.

9. PROCUREMENT IMPLICATIONS

9.1 The contents of this report includes planned audits that will have implications for procurement relating to contract procedure rules, financial regulations and Value for Money issues.

Non-Applicable Sections:	Policy
Background Documents: (Access via Contact Officer)	None