

Report No.
FSD 21012

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **AUDIT SUB-COMMITTEE**

Date: **Tuesday 9th March 2021**

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

Title: **INTERNAL AUDIT PROGRESS REPORT**

Contact Officer: David Hogan, Head of Audit and Assurance
Tel: 020 8313 4886 E-mail: David.hogan@bromley.gov.uk

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
- 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

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 were 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)

3.2.1 Impact of COVID-19

3.2.2 Members have been informed at the meetings held previously in the year that the COVID-19 pandemic has had a disruptive effect on Local Government and the progress the Council had made to adapt to this changing landscape. Employees are predominately working from home with new operating models being adopted to continue business.

3.2.3 In the first part 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. With falling Covid infection rates during the Summer months a "recovery Internal Audit Plan" was drafted in quarter 2 with a plan to get back to "business as usual" as soon as possible.

3.2.4 The first part of 2020/21 also saw members of staff redeployed to the Shielding Team with a commitment given that where circumstances dictated, these resources may again be deployed as part of the immediate mobilisation cohort. This was invoked with the announcement of the second national lockdown commencing 5th November and staff members remained supporting this programme since that date. There has also been a period of sick leave for one of the team during January having fallen ill with COVID and returning to work on a phased return. Therefore, our recovery plan which was viewed as aspirational and flexible to allow for emerging challenges and risks has been adversely affected. A number of audits underway have been halted and will be resumed when conditions allow.

3.2.5 In respect of meeting these challenges the IASAB (UK Public Sector Internal Audit Standards Advisory Board) has developed guidance about the Conformance with the standards during the coronavirus pandemic, to support heads of internal audit and individual internal auditors in the UK public sector. It has the backing of all of the UK Relevant Internal Audit Standard Setters (RIASS).

- 3.2.6 It states that all internal auditors of any organisation in countries significantly affected by COVID-19 will be reassessing their work plans and staff priorities. For public sector internal auditors there is an additional responsibility. All staff in a public service body have a responsibility to work in the public interest. At a time of national crisis there is a need to act in the best interests of the health, safety and livelihoods of the public as well as supporting the operational needs of the organisation.
- 3.2.7 As a result, it acknowledges that very few internal auditors will be operating under 'business as usual' conditions. At the very least they will be doing the majority of work remotely, and staff in many teams are likely to be taking on different roles to support their organisation and the public interest. The primary concern of heads of internal audit will be to support their organisation and its functions together with concern for the wellbeing of their staff. They may also be worried that the decisions they take could lead to non-conformance with UK Public Sector Internal Audit Standards.
- 3.2.8 The guidance provides reassurance to heads of internal audit and audit committees that diversion from planned audit work will not automatically mean that they do not conform. There are however some basic steps to take to safeguard the longer-term position of internal audit.
- 3.2.9 The Mission of Internal Audit is 'To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.' In the current circumstances internal auditors will be fulfilling their Mission in different ways than usual. However, the critical point is that they should still fulfil that Mission. Ideally, this will provide enough assurance to support audit opinions, and for the Annual Governance Statement, although it will be appropriate to draw attention to the context within which this assurance was gained and potential limitations. If it is not possible to achieve sufficient depth or coverage it will be necessary to caveat opinions and/or the Governance Statement and explain the impact of this and what will be done to retrieve the position in future. However, the key point is to protect organisational value.
- 3.2.10 Examples of ways that internal audit can protect organisational value are; helping protect the organisation's operations by helping management to find new ways of working, providing real-time advice and insight in the development of new systems and controls (for example where the organisation has to implement a new and urgent government policy), ensuring that internal audit's work remains risk-based, but continuously reassessed to reflect the significant changes and escalation of risk levels being experienced, providing real-time assurance to the "board" and audit committee on the actions and decisions being made and helping the organisation to understand and plan for longer term risks resulting from the current crisis to protect the organisation and its services going forward.
- 3.2.11 The guidance acknowledges that applying the standards is made more difficult. They state that challenges might include: capacity to carry out audit work, capacity to monitor the quality of that work, and may make it harder to manage threats to independence, diversion of operational staff to other duties: this may make it difficult to access information or obtain responses to audit queries. Homeworking of the majority of staff: depending on the effectiveness of business continuity arrangements in a home-working environment, both internal audit and operational staff may have reduced access to systems and resources. Increased levels of sickness absence/sick leave: these may exacerbate the above issues
- 3.2.12 It was noted at the last meeting that whilst it was important to have a plan there was a need to be flexible and agile to deal with issues emerging from a second wave and assurance requirements which are coming from Government relating to initiatives to support businesses, individuals and the economy. There had been and there will be more operational imperatives to deliver new activities not previously undertaken by the organisation. This included having

systems in place, with sufficient controls to deal with new support initiatives. The support work from Internal Audit has continued to include giving advice on new controls, processes, governance and financial procedures being put in place.

3.2.13 Since the last meeting of the Committee the landscape in which we operate has changed considerably for the worst including changing Tiers and National Lockdown. Questions were asked at the last meeting about the implications of moving to Tier 3. This changed further and can be best understood by looking at the impact on the requirements for Business Support Grants. Internal Auditors have contributed significantly to the success of the introduction of these new schemes.

3.2.14 Mandatory Business Grants

3.2.15 The Council's Aim: To ensure the grants are paid as quickly as possible to support struggling businesses during the Covid-19 restrictions.

3.2.16 Outcomes:

- 1) Eligible businesses access the grants from Central Government quickly
- 2) The risk of fraud and error is reduced
- 3) Our partners are enabled to work effectively with us to support the wider business community

3.2.17 On 31st October 2020 the Government announced that businesses would be provided with additional financial support as part of the government's plan for the next phase of its response to the coronavirus outbreak. Since then a number of mandatory grant schemes were introduced to help businesses that are on the Council's rating list.

3.2.18 The table below provides the restriction periods in Bromley and the applicable mandatory grants.

Period	Restrictions in LBB	Mandatory Grant Schemes
17/10/20 - 04/11/20	Tier 2	LRSB (Closed) & LRSB (Sector) (from 01/11/20)
05/11/20 - 02/12/20	National Lockdown	LRSB (Closed) Addendum
02/12/20 - 15/12/20	Tier 2	LRSB (Closed), LRSB (Sector) & One-off Christmas Support payment for pubs
16/12/20 - 19/12/20	Tier 3	LRSB (Closed), LRSB (Sector) & One-off Christmas Support payment for pubs
20/12/20 - 04/01/21	Tier 4	LRSB (Closed) Addendum Tier 4
05/01/2021 -	National Lockdown	Closed Business Lockdown Payment in addition to LRSB (Closed) Addendum

3.2.19 Closed Business Lockdown Payment & LRSB (Closed) Addendum: 5 January onwards

3.2.20 On 5th January 2021 the Chancellor announced one-off top up grants for retail, hospitality and leisure businesses worth up to £9,000 per property to help businesses through to the Spring.

- 3.2.21 This one-off grant is payable on top of the Local Restrictions Support Grant (Closed) Addendum which was to be paid for an initial period of 6 weeks from 5th January to 15th February 2021 as directed by the Government.
- 3.2.22 LRSG (Closed) Addendum Tier 4**
- 3.2.23 This grant is available to businesses required to close under Tier 4 restrictions. Contact was made with over 1,000 businesses on 8th January 2021 to inform them that payments were to be made in January.
- 3.2.24 Christmas Support Payment for ‘wet-led pubs’ (CSP)**
- 3.2.25 On 1st December 2020 the Government announced that pubs in tiers 2 and 3 who predominantly serve alcohol rather than food would receive a one-off grant of £1,000 in lieu of the Christmas trade. This is in recognition of the sacrifices they had been asked to make over the Christmas season.
- 3.2.26 This is a mandatory grant and was paid on top of other grants that the pubs may be able to receive providing they meet the eligibility criteria and did not exceed the threshold for State Aid.
- 3.2.27 LRSG (Closed) Addendum**
- 3.2.28 The Council launched the LRSG (Closed) Addendum scheme on 13th November with communication sent to businesses identified as potentially eligible for a grant payment inviting them to complete an on-line application.
- 3.2.29 LRSG (Closed)**
- 3.2.30 This grant is available for eligible businesses required to close under Tier 2 or Tier 3 restrictions such as hospitality, accommodation, entertainment venues, visitor attractions and conference centres.
- 3.2.31 Payments are due for every 14 days that the restrictions remain in place.
- 3.2.32 LRSG (Sector)**
- 3.2.33 This grant provides financial support to businesses like nightclubs that were required to close on a national basis since 23 March 2020.
- 3.2.34 It is only effective from the 1 November and is suspended during periods of national restrictions as the businesses will be entitled to receive grants under the LRSG (Closed) Addendum schemes.
- 3.2.35 Summary**
- 3.2.36 Since the start of the pandemic to the end of January over £110 million (This includes £55m retail relief and £1.7m CTS Hardship Fund) of grant funding had been distributed to support 11,500 residents and over 7,000 payments had been made to businesses who have been hardest hit by the pandemic with work continuing during the latest government restrictions.
- 3.2.37 The table below provides a breakdown of all mandatory grant payments made since the start of the pandemic. It can be seen that whilst the grants paid between April and October were higher in value, those since early November and which still continue are higher in volume. This, and the variety of terms and conditions associated with the different restrictions create more challenges for processing systems.

3.2.38 All Mandatory Business Grant Payments as at 28 January 2021

Grant Scheme	Number of Grants paid as at 28/01/2021	Amount paid
		£
Small Business Rates Grant	2,007	20,070,000
Retail Hospitality and Leisure Grant - £10k	382	3,820,000
Retail Hospitality and Leisure Grant - £25k	935	23,375,000
Total paid April 20 - Oct 20	3,324	47,265,000
Local Restrictions Support Grant - (Closed) Addendum	1,308	2,270,798
Local Restrictions Support Grant - (Closed)	321	112,754
Local Restrictions Support Grant - (Sector)	4	2,571
Christmas Support Payment for wet-led pubs	34	34,000
Local Restrictions Support Grant - (Closed) Addendum Tier 4	1,081	1,045,757
Closed Business Lockdown Payment	1,094	5,577,000
Total paid Nov 20 - Jan 21	3,842	9,042,881
Grand Total	7,166	56,307,881

3.2.39 In addition to the above the Council paid the Discretionary Business Grants. There were 178 payments totalling £2,275,000. The Council has also approved a first phase of the non-mandatory/ Additional Restrictions Grant scheme to support businesses. The Additional Restrictions Grant (ARG) is an allocation of £6,646,720 from the Ministry of Housing, Communities and Local Government (MHCLG) on behalf of Department for Business, Energy and Industrial Strategy ('BEIS'). The allocation has been paid to the Council based on a calculation of £20 per head of population within each local authority or business rate billing authority.

3.2.40 The ARG scheme is intended to take the form of discretionary grants to businesses but can also be used to fund wider business support activities.

3.2.41 Local Authorities can also determine which businesses to target and how much funding to provide those businesses. Wider business support is spending designed to support the business community but unlike grants is not direct funding to individual businesses. The Government state that this could include guidance for businesses or skills training to support their ability to trade in changed circumstances. The funding cannot be spent on Local Authority staff or management costs as it is intended that the New Burdens fund will cover such costs.

3.2.42 The local scheme includes the following support packages:

- Business hardship fund
- Business Innovation Grant
- Funding for an online Enterprise Hub
- Top-up grants for businesses eligible for the Local Restrictions Support Grant (Closed) Addendum Tier 4

- Special scheme providing additional funding to independent public houses and social/sports clubs

3.2.43 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. Internal Audit have been working with Managers from Planning and Regeneration, Exchequers Services and Liberata to ensure that controls within the system are proportionate and effective.

3.2.44 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 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.

3.2.45 Significant work has continued to take place on the original 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. We have continued to quality check the returns and have carried out our post payment assurance work on the 3 original schemes, the results of two of these are included later in the report. A report on the Discretionary Business Grant Scheme will be reported at the next meeting of the Committee.

3.2.46 The latest list of outstanding Priority 1 recommendations is shown in Appendix A. There has been some movement in Priority 1 recommendations brought forward and these are detailed below.

3.2.47 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.

3.2.48 Review of Purchasing Cards

Audit opinion	Reasonable
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3.2.49 The overall objective of the audit was to review the governance arrangements for Purchasing Cards to ensure that the controls in place are operating satisfactorily to mitigate risks. It also assessed the delivery of services following any new or revised controls and processes put in place as a direct result of COVID-19.

3.2.50 Controls noted to be in place and working effectively included the new card holders were provided with the card holders’ guide and the guidance for self-registration when they collected their purchasing cards, and electronic copies of the signed purchasing cards request forms and agreement forms for the new cardholders were retained. Our sample testing did not identify any purchases that were split to avoid exceeding spending limits.

- 3.2.51 We found that controls were either not in place or not working effectively in the following areas:
- 3.2.52 Adequate controls are not in place for managing the credit limits and single transaction limits on the purchasing cards, and temporary changes made to purchasing limits were not reinstated after the period specified in the change request had elapsed.
- 3.2.53 We noticed an active direct debit payment for Amazon Prime membership which was no longer needed, was set up by a cardholder who was on long term sick leave. The managers contacted to resolve this issue did not know how to cancel the direct debit payments or any other recurring payments which are no longer required if the cardholder is away on long term leave or has left LBB.
- 3.2.54 We identified that leavers' purchasing cards were not deactivated on the purchasing card system when the cardholder leaves LBB.
- 3.2.55 The recommendations made in the previous audit report finalised on 14/01/2020 were also followed up as part of this review. There were three priority one recommendations of which one recommendation has been implemented and implementation of two recommendations is in progress. The outstanding actions relating to the previous priority one findings have been re-prioritised and re-recommended as priority 2s. There were seven priority 2 recommendations which were followed up of which implementation of four is in progress and three are implemented.

	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

3.2.56 Review of Payroll

Audit opinion	Reasonable
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- 3.2.57 The overall objective of the audit was to review the arrangements in place for the claiming of expenses, allowances and overtime.
- 3.2.58 Controls noted to be in place and working well included instructions for employees making claims via the online HR and Payroll Self Service system.
- 3.2.59 Claims for expenses, allowances and overtime claims examined in our sample had been authorised timely by an appropriate manager, with segregation of duties in place. Claims had been paid promptly and recorded correctly to the relevant cost code. Supporting documentation was available to support payments made for the majority of claims which we examined.
- 3.2.60 Four recommendations have been made to improve the control framework. These relate to the availability of policies, procedures and instructions on expenses, overtime and

allowances and revising the relocation policy to include the categories and levels of expenditure which can be reclaimed by new employees relocating from other countries. Management have accepted the recommendations.

3.2.61 There is no deadline set for employees to submit claims after incurring them and employees should be reminded to ensure that supporting evidence for journeys made is submitted to their manager. Currently, there are no “second line” arrangements in place to identify and analyse any substantial amounts of overtime, mileage or expenses claimed by an employee over a given period.

3.2.62 Our testing identified that on two occasions an expense payment had been made incorrectly to an officer who was not entitled to it. The payment, totalling £105.78, is currently being recovered. It occurred due to an incorrect employee number being entered on a spreadsheet of claims before it was submitted to the payroll contractor. Internal checks by the payroll contractor failed to identify and correct this. There is a need to address the risks associated with submitting spreadsheets of claim information and manually completed claim forms to the payroll contractor for payment. We have made a recommendation accordingly.

	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	0	0	0

3.2.63 Review of Small Business Support Grants

Audit opinion	Substantial
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3.2.64 Our overall objective was to review the effectiveness of the controls operated by Finance Directorate and the Council’s Exchequer Contractor for the payment of small business grants. These had been made available to businesses by the government in response to COVID-19.

3.2.65 Prior to the receipt of grant applications from businesses, we worked with the Finance Directorate and the Council’s Exchequer Contractor to advise on risks and controls to mitigate fraudulent payments and prevent and detect instances of error and non-compliance.

3.2.66 Controls noted to be in place and working well included the application of pre-payment checks derived from the Government’s Counter Fraud Measures Toolkit and the use of information obtained from the National Anti-Fraud Network about corporate impersonation frauds attempted elsewhere.

3.2.67 Where possible, the Council’s business rates database was used to confirm application details. Where this was not possible, ‘open source’ data checks were carried out to verify the details of applicants prior to payment.

3.2.68 If any further information was required from the applicant to verify the authenticity of their business, it was requested prior to payment. In complex or disputed cases, advice was

sought from the Assistant Director of Exchequer Services, Internal Audit or from counter fraud colleagues at the Royal Borough of Greenwich.

- 3.2.69 Post-payment checks on a sample of payments were carried out using the Government's Counter Fraud Function tool 'Spotlight' to enable us to identify if any companies were dissolved or in liquidation on 11 March 2020, had overdue accounts or a history of insolvency and/or a different registered company number and address from that stated in their application. Open source data was checked where the business was not registered at Companies House or was a sole trader.
- 3.2.70 Where any instances of suspected fraud, error or non-compliance came to light, they were referred for investigation to Finance Directorate, the Council's Exchequer Contractor or counter fraud colleagues at the Royal Borough of Greenwich.
- 3.2.71 A fraud risk assessment, post payment assurance plan and additional testing has confirmed that out of 2007 payments, totalling £20,070,000, there have been a very low number made (1%) which have resulted in fraud, error or non-compliance with the scheme.
- 3.2.72 No recommendations were made to improve controls in the event of other business grant schemes being introduced in future. Consequently, other grant schemes for businesses have been put in place in recent months by government and we have reproduced the pre-payment and post-payment controls for those.

3.2.73 Review of Retail Leisure and Hospitality Support Grants

Audit opinion	Substantial
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- 3.2.74 Our overall objective was to review the effectiveness of the controls operated by Finance Directorate and the Council's Exchequer Contractor for the payment of retail, hospitality and leisure grants. These had been made available to businesses by the government in response to COVID-19 and eligible businesses could claim £25,000 or £10,000, depending on their rateable value.
- 3.2.75 Prior to the receipt of grant applications from businesses, we worked with Finance Directorate and the Council's Exchequer Contractor to advise on risks and controls to mitigate fraudulent payments and prevent and detect instances of error and non-compliance.
- 3.2.76 Controls noted to be in place and working well included the application of pre-payment checks derived from the Government's Counter Fraud Measures Toolkit and the use of information obtained from the National Anti-Fraud Network about corporate impersonation frauds attempted elsewhere.
- 3.2.77 Where possible, the Council's business rates database was used to confirm application details. Where this was not possible, 'open source' data checks were carried out to verify the details of applicants prior to payment.
- 3.2.78 If any further information was required from the applicant to verify the authenticity of their business, it was requested prior to payment. In complex or disputed cases, advice was sought from the Assistant Director of Exchequer Services, Internal Audit or from counter fraud colleagues at the Royal Borough of Greenwich.
- 3.2.79 Post-payment checks on a sample of payments were carried out using the Government's Counter Fraud Function tool 'Spotlight' to enable us to identify if any companies were dissolved or in liquidation on 11 March 2020, had overdue accounts or a history of insolvency and/or a different registered company number and address from that stated in their

application. Open source data was checked where the business was not registered at Companies House or was a sole trader.

- 3.2.80 Where any instances of suspected fraud, error or non-compliance came to light, they were referred for investigation to Finance Directorate, the Council's Exchequer Contractor or counter fraud colleagues at the Royal Borough of Greenwich.
- 3.2.81 A fraud risk assessment, post payment assurance plan and additional testing carried out has confirmed that out of 1317 payments totalling £27,195,000, there have been a very low number made (1%) which have resulted in fraud, error or non-compliance with the scheme. It did identify that a grant claim for £25,000 had been assessed as eligible but had not subsequently been paid. This matter is being addressed currently by Liberata and Exchequer Services management.
- 3.2.82 No recommendations were made to improve controls in the event of other business grant schemes being introduced in future. Consequently, other grant schemes for businesses have been put in place in recent months by government and we have reproduced the pre-payment and post-payment controls for those.
- 3.2.83 Local Authority Community Testing Funding Grant Determination 2020/21 No: 31/5301 (Revenue Ringfenced)**

Audit opinion	The evidence seen by Internal Audit demonstrates that the grant claim conditions have been met for expenditure as at 26 th January 2021
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- 3.2.84 On 11th January 2021, the Department of Health and Social Care (DHSC) advised by E mail of the Local Authority Revenue Ringfenced Community Testing Funding Grant Determination (2020/21) No: [31/5301]. Annex A of the document confirmed that Bromley's allocation was £228,900 (first payment) and £457,800 (second payment). The purpose of grant was to 'provide support to the Local Authority towards expenditure lawfully incurred or to be incurred in relation to Community Testing in response to the COVID-19 outbreak'.
- 3.2.85 On 26th January 2021, the Head of Finance, Children, Education and Families advised that he had been notified of a requirement to submit a declaration, signed by the Chief Internal Auditor and the Chief Executive to the DHSC within 48 hours confirming that:-
- 3.2.86 "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 Local Authority Test and Trace Service Support Grant Determination 2020/21: No 31/5301 have been complied with as detailed in the Grant Determination letter dated 30 December 2020".
- 3.2.87 The Borough's first Covid-19 Rapid Test Unit opened on 4th January 2021 with a second now in operation. At the stage of review, being just three full weeks since the first unit went 'live', £40k had been spent. Based on discussions with the Head of Finance, Children, Education and Families, and a review of the records held, Internal Audit has gained appropriate assurance that the conditions of the grant determination have been met for this sum.
- 3.2.88 It should be noted that the timescale of 48 hours set out by the DHSC was met, with the testing completed within one working day. Further testing will be carried out at the end of the scheme, or as directed by the DHSC to ensure continued compliance with the grant conditions.

3.3 Priority 1 Follow Up

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

3.3.2 Starters and Leavers – Priority 1 update

3.3.3 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.

3.3.4 Previous updates to this Committee reported that the IT solution would be the online form to be held on SharePoint Online. This would allow managers to update the leavers information once and the information 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.

3.3.5 The Head of Information Management confirmed that as at the end of January 2021, the rollout of the new movement form would be the end of April as part of the Intranet launch. The forms were ready to be uploaded with mandatory fields to be set. Training would need to be scheduled and IT were liaising with BT to develop service functions, access, trouble shooting and support. Managers are responsible for the leavers process and compliance to agreed procedures set out in the Managers toolkit. In summary this is to notify HR, complete the workforce amendment form to disable access to the system and collect allocated LBB equipment and security passes.

3.3.6 The testing for the November Committee identified that for the sample of 10 agency and 10 LBB officers compliance was poor; system access had not been disabled and although physical items such as laptops had been collected the recovery of ID passes had not been actioned in all cases.

3.3.7 At CLT on the 20th October 2020, 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. CLT were advised on the 26th January 2021 that to ensure that the leavers process continued to be followed and to report to this Committee, Internal Audit would repeat the testing on a sample of leavers. The Head of Audit and Assurance presented an update to the Managers Briefing on the 4th February 2021 to remind Managers of their ongoing responsibility to comply with the agreed leavers procedure and provided the link to the leaver's procedure on One Bromley.

3.3.8 To evidence compliance for recent leavers, HR were asked to generate a report of agency and LBB officers with a leaving date of December 2020 and January 2021. A sample of 10 leavers (5 agency from a total of 28 and 5 LBB from a total of 23) was selected for audit testing. The BT Operational Team confirmed the system status for each officer as at 10.2.21:

- 3/5 agency staff still had an active account, 2/5 disabled
- 2/5 LBB officers still had an active account, 2/5 disabled and 1/5 the officer did not have system access.
- As before the contact with each manager evidenced better results for the collection of physical items, laptops mobile phones and equipment.
- For 3/5 agency staff, LBB equipment had been recovered; 1/5 had not been issued with LBB equipment and for 1/5 the equipment had not been recovered but there were

complications with this example and now identified the Assistant Director would be initiating recovery immediately.

- For 4/5 LBB officers, LBB equipment had been recovered; 1/5 had not been issued with LBB equipment.
- The LBB ID card allows access to Council offices and facilitates use of MFD (printers/photocopiers) but the ID card also identifies an individual as an officer of the Council. If the ID card was lost or misappropriated it could be used by unauthorised personnel and misrepresentation.
- For 2/5 agency staff the ID card had been recovered and secured; 1/5 ID card not issued (the officer worked remotely in a temporary administrative role); 1/5 the manager could not confirm collection and for 1/5 as with LBB equipment, the recovery was outstanding.
- For 1/5 LBB officers the manager could not confirm recovery of the ID card; 4/5 officers the ID card had been collected and secured.

3.3.9 In all cases the managers contacted would be taking immediate remedial action if required.

3.3.10 Given the results of our testing and the imminent roll out of the SharePoint Online movement form, the Priority 1 recommendation relating to leavers will remain open. The success of the new procedures, adoption of the online form and notification to all relevant departments when an officer leaves the Authority will be evaluated and reported to Members at the next Committee. It should be noted that it will remain the responsibility of management to update the online form in a timely manner and action recovery of all LBB equipment and ID cards.

3.3.11 The audit testing that has been undertaken for this and previous updates has been to evidence the completion of the workforce amendment, disablement of active accounts on the system, collection of LBB equipment and staff ID badges. However during the fieldwork, we have identified other issues and risks that need to be considered. An audit report to review these supplementary risks and to collate the findings, some of which are already available, will be produced for management to consider. This report will be completed for the next meeting of this Committee.

3.3.12 Highways Maintenance – Priority 1 update

3.3.13 At the previous meeting Members were informed that the recommendation relating to the selection of schemes had been implemented. The two remaining priority 1 recommendations related to the management and delivery of agreed highways scheme and secondly the controls on the widening and reconstruction of vehicle crossovers as part of footway schemes.

3.3.14 To review progress to implement for the update to the November committee, two schemes were selected for audit testing to evidence compliance to agreed procedures and complete probity checks on the order, satisfactory completion of work and payment. Although testing was completed, including site visits to both roads sampled, there was insufficient documentation available on the system to satisfactorily support our testing. Management advised that there had been an issue with the Confirm system and the Highways Inspector unable to upload the information. Management provided the manual notes to support checking work undertaken.

3.3.15 The original priority 1 recommendation related to the need for the Highways Team to write procedure notes to support this area of service delivery. Internal Audit acknowledged that these procedure notes were produced after the audit report was finalised but stipulated that the implementation of the priority 1 recommendations would be need to be assessed after the procedures had been embedded for six months.

- 3.3.16 After the November Committee meeting, three additional schemes were selected for audit testing. The inspection records provided by management have been checked to ensure compliance to agreed procedures and support payment of invoices submitted by the contractor. This testing has shown that there are still concerns about the quality and completeness of information available to support payment of these Highways schemes. Management have been asked to provide the outstanding information for the sample and to evidence what records they have accessed to authorise payment. The original finding had identified that the authorisation for payment was not supported by adequate inspections records as demanded by Financial Regulations
- 3.3.17 Management will need to ensure that the upload of site visit notes is consistent, complete and in a format that allows the authorising officer to access the information needed to complete checks prior to payment,
- 3.3.18 At the time of writing this report management are looking to provide the outstanding information required by audit for the sample schemes. The information requested would evidence compliance to Financial Regulations with regard to the payment of invoices and adherence to their own agreed procedures. The two priority 1 recommendations will therefore remain open until management supply the information requested and audit testing can be satisfactorily completed to give assurance that the original findings have been remedied.

3.3.19 Procurement Cards – Priority 1 update

- 3.3.20 There are no outstanding Priority One recommendations At the previous meeting Members were advised that the audit review of Procurement Cards finalised in January 2020 identified three priority 1 recommendations. The recommendations related to the responsibility and accountability of those teams and individuals involved in the Procurement Card process system and the need for clarification and agreement. Secondly, the timely processing and approval of outstanding Procurement Card transactions and thirdly the correct treatment of VAT and supporting documentation.
- 3.3.21 Members were also advised we would be undertaking another Procurement Card audit review which would include a follow up of these priority 1 findings. This audit has been completed and summarised at paragraph 3.2.55 in this report.
- 3.3.22 The testing specific to the outstanding priority 1 recommendations has shown that there has been progress to implement.
- 3.3.23 The Assistant Director Governance and Contracts has drafted a Responsibility Assignment Matrix to define the respective roles and responsibilities. The Council's contractor for Exchequer services have been instructed to complete independent checks and to issue reports, regularly generated, to cardholders and approvers. The remedial action taken to date and evidenced by audit testing considers this recommendation to be partially implemented.
- 3.3.24 The audit testing identified that there were transactions in the sample not processed and authorised in a timely manner. It was agreed that the Exchequer service contractor would run six weekly reports to identify outstanding transactions and unauthorised transactions. These reports were issued to cardholders and approvers and if the transactions were not cleared within one week the card would be suspended. Bromley Exchequer Services have decided not to action this suspension during the current crisis to ensure continuity of service delivery but will be reinstated when circumstances allow. Although testing identified outstanding transactions there are processes to identify, notify and remind all Procurement Card holders and authorisers of their responsibility to process their transactions in a timely manner; the recommendation is therefore considered implemented.

- 3.3.25 The audit testing identified minor issues with regard to claiming VAT without the supporting VAT invoice. The Council's contractor for Exchequer services should be running reports to identify such transactions and notifying the card holder but there was no evidence that this has been completed. The LBB client officer should agree with the contractor the timescale and frequency of VAT monitoring checks. Cardholders are reminded monthly of their responsibility to account for VAT for their Procurement Card transactions. The recommendation relating to VAT is considered partially implemented.
- 3.3.26 To summarise, progress has been evidenced to fully implement one priority 1 recommendation and partially implement the other two. The priority rating has been reviewed for these two partially implemented recommendations and are now considered to be priority 2 recommendations. All three recommendations will be removed from the priority I list.
- 3.3.27 St Olaves School (Priority 1 update)**
- 3.3.28 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 for one specific project. 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.
- 3.3.29 The planned audit of the school has started and will follow up all previous recommendations raised in the February 2020. The audit is being completed remotely with scanned documents being sent to the auditor for the sample testing. Similarly, the school will provide scanned evidence to support declared implementation of audit recommendations. The pre audit questionnaire has been revised to include any issues related to COVID pressures and temporary changes to procedures. The returned questionnaire has been signed off by the Headteacher and the Chair of Governors to certify the information returned, independent to the Finance function. Progress in January was impeded by the long-term absence of the assigned auditor however the work plan can now be completed.
- 3.3.30 To provide an update for the two priority 1 recommendations we have reviewed the progress to date and information submitted so far. It was previously acknowledged that the school have had significant challenges since the audit report was finalised in February 2020; COVID19 and the impact of lockdown then reopening the school to be COVID compliant. The Head of Finance position has now been successfully filled and will strengthen the finance function, allow business continuity and separate strategic and operational roles to create internal challenge and scrutiny.
- 3.3.31 For the priority 1 relating to expenditure, the school have now evidenced procedures for the expenditure process and confirmed that procurement advice has been sought, when required, for the large one-off projects. At this point in the audit follow up review, progress to implement is adequate to allow this recommendation to be closed.
- 3.3.32 For the priority 1 relating to financial management 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, the brief overdrawn incident in October 2019 was an isolated event and the drawdown of funds from the Foundation has been formalised with an e-mail trail to support requests; The minutes of the Finance Committee for the 21st October 2020 evidence that the Management Accounts, for the period up to 30th September, were supported by the detailed schedules and the summary, as requested by Internal Audit. The Head of Finance presented a

comprehensive Management Reporting document to the Finance Committee on the 10th February 2021. This document clearly sets out financial priorities for 2021, analyses the latest Income & Expenditure report, updates on the four capital projects, shows the current Voluntary Fund balances, shares the objective to integrate school strategy and long term financial planning, reports on current reserves and funding streams, fund raising initiatives and the school's response to the Internal Audit recommendations. The recommendation relating to financial management is now implemented and can be closed.

3.3.33 A summary of the follow up audit review of St Olaves will be submitted to the next meeting of this Committee. A full audit, hopefully on site, will be scheduled for the Autumn Term 2021.

3.3.34 Looked after Children – Priority 1 Update

3.3.35 At the meeting in July 2020 Members were informed that the audit review of Looked After Children had identified one priority 1 recommendation relating to the contractual arrangements for placements.

3.3.36 Leaving Care 18 plus Placements were found not to have a valid contract in place demonstrating that Financial Regulations and Contract Procedure Rules were not adhered to. A review of all placements was required to ensure that the relevant contractual documentation is in place. These should be held securely. Service agreements should not be authorised which will result in a payment being made to the provider, until the signed contract accepting the terms and conditions have been accepted.

3.3.37 In May 2020 management advised that:-

3.3.38 *'this was a significant gap in LCT 18+ service. Previous Group Manager and Placement Manager had not put this in place. New placement officer and Group Manager met with commissioning in March 2020 and are using templates for contracts in place for under 18s to be consistent across Bromley. Contracts are now in place for all new placements being made from beginning of April and placement officer is working through backlog of all existing placements to write to them and establish a contract.*

3.3.39 *Reporting on CareFirst has also been changed to bring placement referral and service agreement on to CareFirst so we can run reports. Support hours and accommodation costs will also be split on CareFirst so we can track changes more effectively'.*

3.3.40 The priority 1 recommendation was not reviewed for the November 2020 Committee as the finalised report date was within the six-month tolerance for implementation.

3.3.41 Audit testing in January and February 2021 identified that out of a total of 76 placements the department are awaiting responses from 28 suppliers (13 are historic, 11 are waiting to be scanned onto CareStore or waiting the return of the signed contract and 4 are either new contracts that are with the supplier or cases that moved over from another team and are in progress) but 48 have been satisfactorily actioned. Management advised that:-

3.3.42 *'the vast majority of historic contracts have now been received back as well as those for any new placements made. The process of getting them all uploaded has been more convoluted than it might have been, due to the working from home and providers returning the contracts in different ways, but our Business Support Officer is working through getting all these on the system'.*

3.3.43 Audit testing on a sample of ten cases, all of which were at different stages of completion, showed that satisfactory progress has been made. We consider that sufficient action has been taken by management to progress implementation and close this Priority 1 recommendation.

3.3.44 **Follow up of Pre-Planning Advice issues raised at the last meeting.**

- 3.3.45 At the last meeting a Member expressed concern regarding some aspects of the planning process whereby a planning officer could give pre planning advice to a developer and then write the associated planning report. He stated that there should be a separation of duties. It looked like a practice that was not sound. The Head of Audit and Assurance responded that this was a matter that had been looked into and that LBB were complying with relevant guidance. If there were still concerns, they could be looked at. The Member replied that the process did not sit well with the public and should be changed. Another Member stated that he agreed with these sentiments, and that the process should be changed.
- 3.3.46 The council offers a pre-planning application advice service for planning applications which can help applicants to prepare a proposal for the best chance of success and also advise on revisions following determination of applications. Applicants must complete a pre-planning application advice form and submit along with required drawings / documents (set out on each application form) and appropriate fee.
- 3.3.47 We followed up the Member concerns with the Assistant Director, Planning & Building Control, and sought to understand the processes and rationale around it. The Planning Process involves judgement calls and in such situations, there is always the possibility of disagreement and differing points of view. As a starting point all written advice, delegated and committee reports, are authored by one Planner and checked and signed off by at least one other senior member of the team. There is no formally written output from the team that is only carried out by a single person.
- 3.3.48 Planners are qualified professionals and the Royal Town Planning Institute provides a clear framework for professional conduct which members abide by.
- 3.3.49 We understand that pre-application advice and subsequent applications are commonly (in other Local Planning Authorities as well as Bromley) dealt with by the same Planner. There have been cases where matters have come to light at application stage which undermine advice given at pre-application stage. Since pre-application advice is given on a without prejudice basis, and without the benefit of the full consultation process of a full application that is not an issue, and there have been cases where this has resulted in refusal of an application.
- 3.3.50 It should also clarify that the Council does not make a profit from pre-application advice fees, these by virtue of the legislation only cover the cost of providing the service. Planning application fees are set nationally and generally do not cover the cost of providing the service overall. This highlights that there is no gain from the Council encouraging take up of advice for any reason other than to assist with the overall planning application process as set out in government advice – see <https://www.gov.uk/guidance/before-submitting-an-application>
- 3.3.51 The planning application team operate on a very tight workload and in addition the Assistant Director's view that there is no need for further division of responsibilities, he considers that this would also lead to inefficiencies which might ultimately require additional resource.
- 3.3.52 There is an appreciation that there is concern around secrecy with pre-application advice, however this is shared where possible but the Council offers the service on a private basis to encourage uptake as per government advice around front loading the application process. Many of those taking up the pre-application service do so because they are considering investing in a site and want to understand the Planning Department's views on the possibility of development. They often do not wish this interest to be made public or for others to benefit from advice that they have paid for, in particular if there may be a competitive bidding process for a site.

- 3.3.53 Planning are encouraging those seeking pre-application for major schemes to carry out presentations to Members and these are now taking place.
- 3.3.54 The Assistant Director has no concerns about the current process and to alter it is likely to have resource implications since the Planner dealing with an application would have to do part of the work already done by someone else to get up to speed with the site, proposals and context. Furthermore, there is a strong view that the professional ethics expected of Planners more that safeguard against this untoward behaviour which is sometimes the subject of speculation. In January 2018 Internal Audit reported on the Planning process. The Internal Audit covered the planning application process with particular emphasis on pre-planning application advice and the subsequent approval process. A substantial assurance opinion was given. We will also consider this further in our Planning audit which features in next year's audit plan.

3.4 Publication of Internal Audit Reports

- 3.4.1 Since the last cycle of this Committee, we have published 5 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
Review of Purchasing Cards	Reasonable
Review of Payroll	Reasonable
Review of Small Business Support Grants	Substantial
Review of Retail, Hospitality and Leisure Support Grants	Substantial
Local Authority Community Testing Funding Grant Determination 2020/21 No: 31/5301 (Revenue Ringfenced)	The evidence seen by Internal Audit demonstrates that the grant claim conditions have been met for expenditure as at 26 th January 2021

- 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
- Issued awareness guidance on Financial Regulations via the Communications Team and presented a session to Manager's Briefing.

3.5 External Quality Assessment

3.5.1 It is a requirement of the Public Sector Internal Audit Standards to have an EQA carried out at least every 5 years and it can be done either by peer review, or you can pay for an outside organisation to do it. The London Audit Group have organised a system of Peer Reviews with safeguards make it as independent as possible such as the reviewer and reviewee councils are not neighbours and the audit teams don't have a regular relationship. This ensures that the reviewer is qualified to undertake the review and understands the business area within which the authority operates. The last review of Bromley was in March 2016 and so is now due. In July 2019 the Head of Audit & Assurance confirmed to the organisers that we would potentially like a review in Quarter 4 of 2020/21 and would be prepared to carry out a review of another authority. In February of 2020 preliminary confirmation was sought for LB Bromley to undertake a review of another authority and time was allocated in the Audit Plan for the Peer Review of Bromley. However, the National lockdown and the effects of the pandemic have put any arrangements on hold.

3.5.2 In early February 21 we were contacted by the London Audit Group Chair who asked if authorities were interested in having their EQA review carried out in the next 1-3 years to complete an expression of interest by the end of February so that they can match those looking to be reviewed with those who are willing to undertake a review. EQAs will be on random rotation, no authority will EQA each other, nor will there be any actual or perceived conflicts of interest. The matter was discussed with the Director of Finance. It was agreed that this would be the preferred method of undertaking the EQA, however given the impact of the pandemic and that services, including Internal Audit were not being conducted as business as usual yet, this was not the best time for it to be undertaken and that a request for it to be carried out in the third or fourth quarter of 2021/22 was appropriate, depending on how recovery from the pandemic was progressing. We understand other authorities are also seeking to defer.

3.6 Risk Management

- 3.6.1 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.
- 3.6.2 Since the last meeting of the Audit Sub Committee on 3rd November 2020, the risk registers have been reviewed by the Corporate Risk Management Group at their meeting of 25th January, and the Corporate Leadership Team have reviewed the Corporate Risk Register on 26th January. The latest iterations will be presented to Audit Sub Committee at the June 2020 meeting and will accompany the Annual Governance Statement.

3.7 External Audit Update

3.7.1 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. Whilst good progress has been made in most areas, there have been delays in the provision of information to EY and in responding to auditor queries. Some delays have occurred due to the pandemic, with officers working off site and documentation not being readily accessible in an electronic format (in some cases paper documents and records required bulk scanning). Additionally, as acknowledged by EY, much larger sample sizes were selected for audit review which has resulted in an increased workload for officers.

EY's audit fieldwork has also identified mis-statements and other issues. Most significantly, matters in relation to Property, Plant & Equipment and Investment Properties where further information is required for EY to properly conclude its audit work. Moreover, an error concerning depreciation on Land & Buildings will require an adjustment in the 2019/20 accounts and also a prior period adjustment; this will require significant work by officers to rectify and owing to this and other outstanding matters, it has been agreed with EY that a revised timetable for completion of the audit should be put in place to allow revised depreciation calculations to take place and for information in response to all other queries to be collated and provided to EY. Both parties are now working towards finalisation and sign-off during March 2021.

3.7.2 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, officers have spoken to KPMG and meetings are being held to progress the review of this matter. Once KPMG has concluded its work, it will report the outcome to officers. There are four potential options available to KPMG:

- Considering if there is an unlawful item of account that they need to ask the court to consider
- Issuing a report in the public interest on this matter
- Reporting on this matter with recommendations for Council action (these could be statutory recommendations under the Local Audit and Accountability Act)
- Taking no action and dismissing the objection

Subsequently, EY will consider the objection received in relation to the 2018/19 accounts, informed by the conclusions that KPMG has made.

3.7.3 Audit Fees

Whilst our external auditor, EY, has produced an audit plan for 2019/20, 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 review EY’s proposed fee and it is hoped this will lead to agreement on a revised figure.

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 content 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