

Appendix A – Audit Summaries

Temporary Accommodation and Housing Rents (fieldwork Quarter 4 2022/23)

Audit opinion	Reasonable
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The overall objective of this audit was to ensure that:

- Reliability and integrity of the housing rents system and tenant records are maintained;
- Rent and additional charges are completely and accurately identified and included in rent accounts promptly;
- Rent income arrears are promptly and effectively pursued and recovery is maximised.

Sample testing confirmed that rent charges for nightly paid accommodation had been correctly input to the housing management system. We also found that rent payments had been correctly applied to tenants’ accounts. There is an Evictions Referral Process which outlines how eviction referrals received from the Housing Accommodation Charging Team will be managed.

The key issues arising from our testing were that:

- Evidence of inspection visits could not be provided for our sample tested.
- Appropriate and timely action had not been taken regarding arrears management and debt recovery for 6/10 cases in our sample. This was partially due to issues with the new housing management system.

We raised two Priority 2 recommendations to address these issues and a further four Priority 3 recommendations for good practice.

Recommendation	Priority	Recommendation accepted?
Temporary Accommodation Property Checks	2	Yes
Arrears oversight	2	Yes
Tenancy evictions	3	Yes
New tenancy set ups	3	Yes
Approval of rent reconciliations	3	Yes
Approval of Policies and Procedures	3	Yes

Transformation (fieldwork Quarter 4 2022/23)

Audit opinion	Reasonable
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The overall objective of the audit was to review the delivery of the Council's Transformation Programme for two specific workstreams, Housing and Environmental Services. For this review we looked at the mechanisms in place to measure the success and effectiveness of Transformation projects.

We identified good practice and sound controls specifically, regular Transformation Board minutes and supporting papers on the Transformation SharePoint site; a designated officer responsible for Housing Transformation schemes (generating financial and project status information); regular budget review and liaison with service Heads of Finance; accurate financial reporting to management and the availability of a Project Management Toolkit and supporting templates.

Our review highlighted the following areas for development:

- There is a Project Management Toolkit and supporting documents including a Business Case template available on the Council's Sharepoint site, however none of the six projects selected for audit review had a standardised business case to establish the planned project outcome, financials and enable progress to be monitored, including non-financial benefits.
- The Transformation SharePoint site contained a lot of information, reports and minutes but they were randomly stored and not readily identifiable. There was limited information related to ECS projects on the Corporate Transformation site or collated information on the ECS Transformation site.

We made two Priority 2 recommendations which were accepted by management. We made a further good practice recommendation to set up a central register of all projects taking place across the Council. Management did not agree to this recommendation as in their view, development and maintenance of a register would require additional human resources and growth pressure.

Recommendation	Priority	Recommendation accepted?
Business Plan and Project Management Toolkit	2	Yes
Availability and Identification of Documentation	2	Yes
Central Register for Council Projects	3	No

Domestic Abuse (fieldwork Quarter 4 2022/23 & Quarter 1 2023/24)

Audit opinion	Limited
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The overall objective of the audit was to review the adequacy and effectiveness of the Council's arrangements to discharge its duties under the Domestic Abuse Act 2021.

Our audit highlighted areas of good practice including:

- Since the responsibility of Domestic Abuse transferred in November 2022, the Head of Service has embraced the challenges facing the service and has made good progress such as getting a new contract in place from April 2023.
- The Domestic Abuse (DA) Strategic Lead has established strong working relationships with partners and agencies. Partner support for the Domestic Abuse service was evident from feedback.
- The DA Strategic Lead and the Interim Community Safety Manager have both been proactive in addressing issues such as development of the action plans, evidencing achievements and the barriers to achievements.

Our review highlighted the following areas for further development:-

- The ownership and awareness of domestic abuse being a shared responsibility of everyone and every agency needs to continue to be embedded further. There was no comprehensive process to monitor the achievement of the five priorities within the Domestic Abuse Strategy.
- Feedback from officers was that there should be further clarity of the direction of the Strategic Board and that this needed more authority and the oversight of senior leadership.
- Domestic Abuse training is required for the Public Protection team and members of the Operational Forum and Strategic Board.
- There is no comprehensive risk register in place for the Domestic Abuse service to enable risks to be identified and managed.
- We were not provided with evidence to confirm that annual reports required under the Domestic Abuse Act 2021 had been completed and submitted.
- It has not been possible for the service to identify and appoint the DA Ambassadors, which is one of the DA Strategy priorities, as it is dependent on the DA Employee Policy being approved.

We made one Priority 1 and nine Priority 2 recommendations as set out in the table below. All recommendations have been accepted by management.

Recommendation	Priority	Recommendation accepted?
Domestic Abuse Strategy & Ownership	1	Yes
Operational Forum & Strategic Board	2	Yes
Domestic Abuse Training	2	Yes
Risks & Issues Log	2	Yes
Service Planning	2	Yes
Contract Management & Monitoring	2	Yes
Perpetrator Programme	2	Yes
Procedures, Processes & Access to Information	2	Yes
Local Authority Responsibilities under Domestic Abuse Act 2021	2	Yes
Domestic Abuse Employee Policy	2	Yes

Highways – Management of Major Works (fieldwork Quarter 4 2022/23)

Audit opinion	Limited
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The overall objective of the audit was to review the management of a sample of capital works to include controls in place to deliver to time, budget and quality. We also considered supplier Business Continuity arrangements.

In order to assess Highways works required, the service had undertaken a video condition survey of the borough using artificial intelligence, with data collected and analysed in order to identify priorities. For the individual schemes in our sample, this survey supported the need for the works and Members had approved the schemes. However, we were not provided with evidence of how all potential works identified through the survey were then selected and prioritised, so we are unable to verify the reasonableness of the prioritisation process.

Regular contract meetings are held with the contractor and we evidenced that progress reports regarding major works are reviewed and discussed at these meetings.

The service advised that prior to making payment for schemes, the Highways Inspector visits and remeasures the site. Once they confirm that this is satisfactory, payment will be authorised. However, we were not provided with evidence of this remeasurement process for any of the three completed schemes in our sample. Consequently, we could not confirm if the work completed was measured and that details of what was checked were sufficient to allow the Certifying Officers to satisfy themselves that the payment was accurate and due to be paid.

At the time of the audit, there were no procedure notes in place covering selection and prioritisation of schemes, inspections, payments, defects or supervision. Creation of consistent procedures will also help to address the issues above.

We have raised one Priority 1 and two Priority 2 recommendations.

Recommendation	Priority	Recommendation accepted?
Compliance with Financial Regulations	1	Yes
Procedure notes	2	Yes
Selection process	2	Yes

Gifts and Hospitality / Declarations of Interest (fieldwork Quarter 1 2023/24)

Audit opinion	Reasonable
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The objective of this audit was to review the adequacy and effectiveness of the Council's arrangements for the declaration of interests and gifts and hospitality by Members, officers and agency workers.

A data matching exercise conducted as part of the mandatory National Fraud Initiative (NFI) between Payroll, Companies House and the Council's Creditors data did not highlight any significant issues or conflicts. Minor clarifications have now been resolved.

The Code of Conduct for Members, last reviewed in October 2020, is comprehensive and in line with the current procedures followed by the Council. Members regularly declare their interest and update changes on the Bromley website. A clause on Gifts or Gratuities is included in the contract of employment for all staff and a clause on the Register of Officers' Interests for staff whose post requires it.

Our key findings were that:

- There was no evidence for approximately 25% of relevant staff that they had completed a Declaration of Interest
- Sample testing highlighted that Agency staff declarations had not been fully completed or appropriately counter signed
- The Council's Gifts and Hospitality Code of Conduct policy for officers was last updated in 2013. Review of arrangements across the Council highlighted inconsistencies in understanding and practice.

We raised three Priority 2 recommendations to address these issues, all of which have been accepted by management.

Recommendation	Priority	Recommendation accepted?
Employees' Declarations of Interest	2	Yes
Agency staff Declarations of Interest	2	Yes
Gifts and Hospitality Policy - Officers	2	Yes

Domiciliary Care (fieldwork Quarter 1 2023/24)

Audit opinion	Limited
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The overall objective of the audit was to review contracts to ensure delivery of domiciliary care is in line with service objectives, outcomes are being met, and value for money is being achieved.

We found that the contract specification for providers clearly aligns with the specific goals for re-modelling domiciliary care services. A domiciliary care provider forum takes place regularly and providers are encouraged to attend, either in person or virtually. There is a focus on information exchange, with presentations on key topics. A newsletter is sent out to all providers regularly.

A Trusted Assessor initiative is being introduced to apply a reablement based approach and enable domiciliary care providers to make timely changes to their provider support plans without the need for prior sign off from care managers.

Our review highlighted the following areas for development:

- From our examination of the contract monitoring arrangements and completion of the strategic contract management dashboard, there is a lack of evidence to demonstrate that the needs of clients, desired outcomes and expected quality care standards are being met.
- The Business Continuity Plan for one provider in our sample was dated February 2020 and therefore before the Coronavirus pandemic. One of the Business Continuity Plans in our sample contained no specific details of actions to be taken in the event of cyberattacks, server issues and/or issues with the interface.

In total we made one Priority 1 recommendation and one Priority 2 recommendation to improve the framework of controls, as set out in the table below.

Both recommendations were accepted by management.

Recommendation	Priority	Recommendation accepted?
Contract monitoring arrangements	1	Yes
Business continuity plans	2	Yes

Housing Capital Schemes (fieldwork Quarters 3 and 4 2022/23)

Audit opinion	Reasonable
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The overall objective of the audit was to review the effectiveness of controls over the monitoring of spend and delivery of the Housing Schemes within the Capital Programme and Housing Strategy to ensure that new build capital projects are delivered to time, budget and quality.

Our audit highlighted areas of good practice and sound controls such as Executive approvals for the projects, budget monitoring and effective progress reporting.

We made eight Priority 3 recommendations to further enhance controls in the project management areas set out below, five of which have been accepted by management. The remainder were not accepted as the service considered that they had already demonstrated that sufficient arrangements were in place.

Recommendation	Priority	Recommendation accepted?
Standard Business Cases and Benefits Management Plan and Realisation	3	No
Project Initiation Documents / Project Plans	3	No
Lessons Learned	3	No
Stakeholder Engagement and Communication Plan	3	Yes
RAID logs	3	Yes
Projects Risk Monitoring and Integration	3	Yes
Document Control	3	Yes
Governance Structure	3	Yes

Medium Term Financial Strategy (MTFS) – Planning, Forecasting and Governance Arrangements (fieldwork Quarter 1 2023/24)

Audit opinion	Substantial
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The overall objective of the audit was to review the effectiveness of controls over the financial planning process and a review of assumptions made, including documenting, approving and monitoring these. The audit did not seek to provide assurance over the accuracy and robustness of financial plans and budgets.

Through reports to full Council and the Executive, the Council has acknowledged that it faces considerable financial uncertainty in the medium term and that there remains a budget gap for future years to address.

Our audit found that there was evidence to support assumptions made in the current MTFS, that various services had contributed to the planning process, that the budget setting was subject to suitable challenge, that sufficient and detailed information had been presented to Members to enable them to make decisions and that budgets were regularly monitored.

Officers have identified the need to review both the Risk Management Strategy and the Financial Regulations and we included two Priority 3 recommendations to ensure that both of these key documents contain timescales for future review.

Both recommendations were accepted by management.

Recommendation	Priority	Recommendation accepted?
Risk Management Strategy and Toolkit	Yes	Yes
Financial Regulations	Yes	Yes

Personal Data Breaches (fieldwork Quarter 2 2023/24)

Audit opinion	Reasonable
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The objective of this audit was to assess the Council's response to personal data breaches in line with the Data Protection Act 2018 and to ensure that lessons are learnt from incidents to prevent reoccurrence.

Our analysis of the data breach incident log identified that a recurrent theme of personal data breaches is errors with emails, including emails sent to the wrong recipient. The Information Management Team evidenced that they have an action in progress to reduce the likelihood of email error by implementing an additional technical measure.

Appropriate information on reporting data breaches is readily available to staff via the intranet and the Council's policies align with legislation and Information Commissioner's Office (ICO) guidance.

Our key findings were that:

- There is currently limited corporate oversight and ownership of personal data breaches, to ensure that actions are implemented and lessons learned across the organisation. For 3/6 cases sampled, there was no evidence that actions to prevent reoccurrence had been taken within individual departments.
- Records of data breaches held by the Information Management Team were incomplete and, in some cases, inaccurate as, for example, five cases reported to the ICO or data subject had not been recorded as such on the central log.

We made two Priority 2 and one Priority 3 recommendations to improve the framework of controls as set out in the table below. All recommendations have been accepted by management.

Recommendation	Priority	Recommendation accepted?
Strategic Oversight and Lessons Learned	2	Yes
Data breach records and investigations	2	Yes
Risk analysis and decision making	3	Yes

Pre-Employment Checks (fieldwork Quarter 2 2023/24)

Audit opinion	Reasonable
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The overall objective of the audit was to review the adequacy of pre-employment checks in design to mitigate recruitment risks including fraud and safeguarding, and the application of these in practice.

The design of controls in place for pre-employment checks is appropriate, covering employment history, references, medical clearance, DBS, vetting and qualification checks. Training and guidance has been given to officers within HR and any changes to legislation are identified by HR and cascaded to officers.

Our review highlighted the following areas for development:

- Policies and procedures do not fully reflect current working practices in HR and there are gaps in information in the Pre-employment Screening Policy.
- There is a monthly 'Audit spot checks' procedure, but we were unable to evidence when this was last carried out.
- The Council's Pre-employment Screening Policy sets out screening levels under a definition of 'High risk (Qualified/safeguarding roles)' and 'Low risk (Corporate roles)'. These definitions are not fully clear which roles are included in each level and also do not take into consideration risk factors other than safeguarding for specific employment roles and responsibilities.
- Best practice pre-employment checks to mitigate recruitment fraud were recommended by CIFAS in their 2022 publication 'Slipping through the net'. The gov.uk website also has an 'Employers' right to work checklist' for organisations to check prospective employees. We compared the checks set out in these publications against the design of the Council's controls currently in place and have suggested where the Council's control framework could be strengthened.

In total we made four Priority 2 recommendations and one Priority 3 recommendation. All recommendations were accepted by management.

Recommendation	Priority	Recommendation accepted?
Policies and procedures	2	Yes
Pre-employment checks carried out	2	Yes
Quality assurance	2	Yes
Assessment of high and low risk roles	2	Yes
Recruitment fraud and unsuitability mitigation checks	3	Yes

Southborough Primary School (fieldwork Quarter 1 2023/24)

Audit opinion	Reasonable
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The overall objective of the audit was to review the adequacy and effectiveness of the system of controls surrounding the financial administration of the school.

Our audit highlighted areas of good practice and sound controls including financial management, governance arrangements including budget approval, submission of VAT returns, monitoring of IR35 before engagement, management of the school's purchasing cards and monthly reconciliation of the school bank account.

However, we identified that there was no formalised procedure to monitor and recover debt. Invoices were not raised in a timely manner to collect income and there were inaccuracies on the letting forms; lettings had not been approved by the Head Teacher. An incorrect hirer's liability insurance policy had not been identified in pre-letting checks and the lettings policy incorrectly referred to the Council's insurers.

We also identified issues related to raising purchase orders, checking invoices and sourcing quotations for expenditure over £5,000. We noted that the IT asset register did not include the date of issue or disposal and the loans book and agreement forms were not updated timely. The contract register had not been updated since May 2022, did not reflect the current status of all contracts or include the start date and whole life value of each contract. There were no signed or dated pecuniary interest forms for current governors or staff with financial or procurement responsibilities.

We made five Priority 2 and one Priority 3 recommendations to improve the framework of controls as set out in the table below.

All recommendations have been accepted by management.

Recommendation	Priority	Recommendation accepted?
Lettings and income	2	Yes
Expenditure process	2	Yes
Asset Register and equipment loan book	2	Yes
Contracts register and contract monitoring arrangements	2	Yes
Declarations of interest	2	Yes
Documentation and Authorisation	3	Yes

St Olaves Grammar School (fieldwork Quarter 2 2023/24)

Audit opinion	Reasonable
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The overall objective of the audit was to review the adequacy and effectiveness of the system of controls surrounding the financial administration of the school.

We found that controls are in place and working well for financial reporting, committee reports and minutes, scheme of delegation, asset management, bank reconciliation, VAT returns and management of the purchasing cards.

Our review highlighted the following areas for development:

- Invoices for hire of the school pitch had been raised after the letting had taken place
- Purchase orders had not been raised in advance for 25% of payments sampled
- In two instances sampled the status of an individual had not been established when they were engaged to provide a service. In one instance payment was made before all parts of a service had been received.
- We were unable to ascertain from our examination of the Resources Committee minutes for the last twelve months when the contracts register had been presented to and approved by Governors.
- Declaration of Pecuniary Interest (PI) forms for three governors had not been completed and for another three governors the PI forms were for the previous academic year.

In total we made five Priority 2 recommendations and two Priority 3 recommendations to improve the framework of controls, as set out in the table below.

All recommendations made were accepted by management.

Recommendation	Priority	Recommendation accepted?
Income and lettings	2	Yes
Expenditure process	2	Yes
Compliance with IR35	2	Yes
Contracts and leases	2	Yes
Governors' pecuniary interests	2	Yes
Control accounts and cash flow reports	3	Yes
Loans book	3	Yes