

Internal Audit and Anti-Fraud Progress Report 2024-25

1. Background

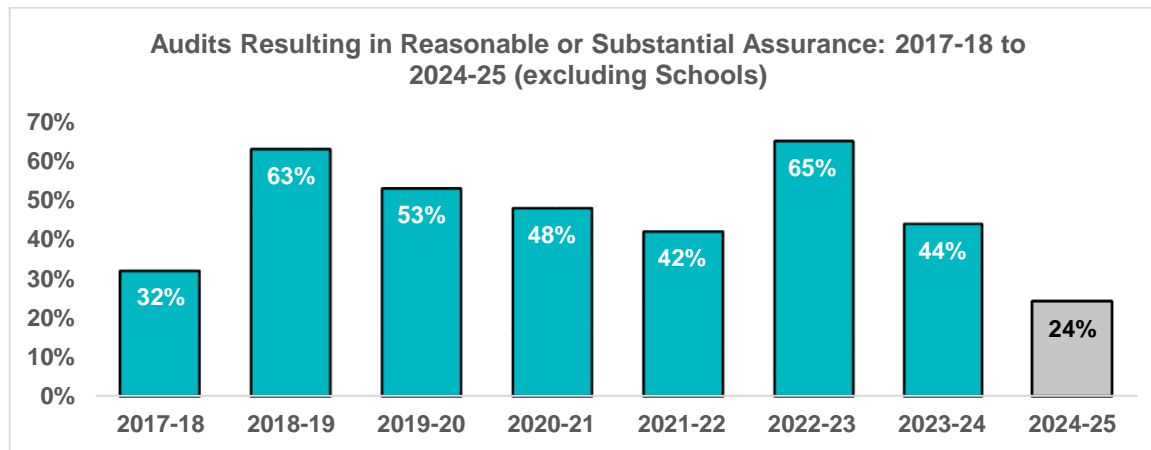
Introduction

- 1.1 This report provides a progress update of the work that Internal Audit has carried out in accordance with its annual plan for 2024-25 which was approved by the Audit Committee at its April 2024 meeting.
- 1.2 Internal Audit follows the Public Sector Internal Audit Standards (PSIAS) which encompass the mandatory elements of the Global Institute of Internal Auditors' (IIA Global) International Professional Practices Framework (IPPF). They also include additional requirements and interpretations for the UK public sector.

2. Progress Update

2024-25 Deliverables

- 2.1 **Section 4** of this report contains details of progress against the planned audit engagements agreed in the plan. Excluding schools, in the six-month period to the end of November 2024:
 - 1 Substantial Assurance opinion have been issued
 - 5 Reasonable Assurance opinions have been issued
 - 19 Limited Assurance opinions have been issued
 - 0 No Assurance opinions have been issued.
- 2.2 The diagram below indicates the time-series data for assurance opinions. A year-to-date metric has not yet been calculated at this point owing to only limited data currently being available. For 2024-25, management should target a tangible improvement in this metric and Internal Audit considers that a reasonable benchmark would be an outturn in excess of 50%.



- 2.3 A summary of findings in relation to the five Limited Assurance audits that were finalised during this period is included at **Section 5**. As previously agreed with the Audit Committee, all final Internal Audit reports are now being made available to Members via SharePoint.
- 2.4 Overall progress in undertaking and completing the audit plan for 2024-25 has continued to be slow and this is being addressed on an ongoing basis by reporting progress and escalating blockages via Directorate Leadership Teams. Moreover, there is an additional area of concern in that Internal Audit allows 15 days from issuance of a draft report for management to respond fully with an action plan including accountable officers and implementation dates (refer **Section 4**). It is becoming more frequently the case that this timeline is not being adhered to and the finalisation of audits are being delayed. A corollary of this is that the issues identified by audit work are not being addressed and mitigated in a timely manner and risk exposures remain.
- 2.5 As previously agreed, some reprioritisation of the Plan will be necessary. This will have the effect of reducing the quantum of work in the Plan and also allow for the audit risk assessment to be updated in conjunction with management. To this end, a small number of audits have been deferred for future reconsideration.

3. Resourcing Update

- 3.1 Resourcing of the team is critical to delivering the plan and meeting the demands of stakeholders. As previously reported, the team has continued to operate with vacancies. However, a Senior Auditor was recruited during July and took up post during October. An audit apprentice has been recruited and started during November.

4. Detailed audit results

	Audit Title	Directorate	Opinion	Status
1	Supply Chain Cyber Control	Corporate	Limited	Draft Report Issued – 12/07/2024
2	Capital Governance	Corporate		
3	Health and Safety at Work	Corporate		
4	Business Continuity and Resilience Planning	Corporate	Limited	Draft Report Issued – 25/09/2024
5	Lone Working Arrangements	Corporate	Limited	Final Report
6	Data Quality	Corporate		Planning
7	Risk Management	Corporate	N/A	Deferred
8	Management of Efficiency Savings/Income Generation	Corporate		Planning
9	Employee Wellbeing and Satisfaction	Corporate		Deferred
10	Management of Overtime	Corporate	Limited	Draft Report Issued – 12/09/2024
11	Post Establishment Control	Corporate	Limited	Draft Report Issued – 06/11/2024
12	Key Decision Process	Corporate		Fieldwork
13	Information Governance / GDPR Compliance	Corporate		
14	Performance Management	Corporate	Limited	Draft Report issued – 02/10/2024
15	Management of Members' Enquiries	Corporate	Reasonable	Draft Report Issued – 01/10/2024
16	Capital Budgeting and Monitoring	Resources	Reasonable	Final Report
17	Pensions Administration – Follow Up audit	Resources		Draft Report Issued – 05/02/2024
18	IT Governance	Resources		
19	IT Asset Management	Resources	Reasonable	Final Report
20	Value Added Tax	Resources		Planning
21	Cyber Security and Resilience	Resources		
22	Staff Recruitment, Pre-employment Checks and Vetting	Resources		
23	Pension Fund Administration	Resources		
24	IR35 – Off Payroll Engagement	Resources		Planning
25	Council Tax Support Scheme/Cost of Living Relief Fund	Resources		Deferred
26	Residents Hubs	Resources		
27	Management and Control of Subject Access requests	Resources		Draft Report Issued – 14/10/2024
28	Financial Regulations and Procedures	Resources		
29	Treasury Management	Resources		Fieldwork
30	Waivers to Procurement Procedures (RCDA Process)	Corporate	Limited	Draft Report Issued – 13/11/2023
31	General Ledger	Resources	Reasonable	Final Report
32	Quality Assurance in Adult Social Care	Health and Adult Social Care		
33	Telecare Service	Health and Adult Social Care		Fieldwork

34	Payments to Home Care Providers	Health and Adult Social Care		Fieldwork
35	Shared Lives	Health and Adult Social Care	Substantial	Final Report
36	Contract Monitoring of Commissioned Services	Health and Adult Social Care		
37	Public Health Grants to Directorate Services	Health and Adult Social Care		
38	Management and Control of Fixed Penalty Notices	Communities	Limited	Draft Report Issued – 24/07/2024
39	Control and Management of Premises Licences	Communities	Reasonable	Final Report
40	King George Field's Trust – Governance	Communities	Limited	Final Report
41	Waste Service – Operational Management	Communities		
42	Management of Commercial Waste	Communities		
43	Transport Service	Communities	Limited	Final Report
44	Management of Video Surveillance systems	Communities / Resources		Planning
45	Leisure Service – Governance Arrangements	Communities		Planning
46	Penalty Charge Notices – Debt Recovery and Write Offs	Communities		
47	Domestic Violence – Contract Monitoring	Communities	N/A	Deferred
48	Street Lighting Contract	Communities		Fieldwork
49	SEND Improvement Plan	Children's Services	Limited	Draft Report Issued - 06/11/2024
50	Youth Service	Children's Services	-	Deferred
51	Client-Side Management of Schools' Capital programme	Children's Services	Limited	Draft Report Issued – 23/09/2024
52	Transitioning from Children's to Adults	Children's Services		Planning
53	Leaving Care service	Children's Services	N/A	Deferred
54	Youth Justice Team – Service review	Children's Services		Fieldwork
55	SEND Transport and Cost Control	Children's Services		
56	Procurement and Management of Consultants for Capital Works	Housing and Regeneration	Limited	Final Report
57	Management of Lettings of Community and Commercial Properties	Housing and Regeneration	Limited	Draft Report – 18/09/2024
58	Capital Delivery Team – Payment and Budgetary Control	Housing and Regeneration		
59	Management of Capital Projects by Capital Delivery	Housing and Regeneration		
60	Housing Allocations – Bidding Process	Housing and Regeneration		Deferred
61	Section 20 Leaseholder Consultation Process	Housing and Regeneration		Field work
62	Homeless Families Visiting, Inspections and Investigation	Housing and Regeneration		
63	Housing Management - Governance	Housing and Regeneration		
64	Management of Voids	Housing and Regeneration		
65	Damp and Mould Management	Housing and Regeneration		Deferred
66	Service Charges – Calculations, Allocations and Billing	Housing and Regeneration		Planning
67	Planning and Building Control Fees/Charges	Housing and Regeneration		Fieldwork
68	Housing Repairs	Housing and Regeneration	Limited	Final Report
69	Legal Services – Quality Assurance (Advisory)	Chief Executive's		
70	Corporate Compliance Culture	Chief Executive's		Fieldwork

71	Mayors Community Grants – Governance & Monitoring	Chief Executive's		
72	Community Cohesion	Chief Executive's		
73	Procurement and Commissioning of Barristers and Solicitors	Chief Executive's	Limited	Final Report

Schools Audits		Opinion	Status
1	Arnhem Wharf Primary School	Reasonable	Final Report
2	Globe Primary School	Reasonable	Draft Report
3	Harry Gosling Primary School	Reasonable	Draft Report
4	John Scurr Primary School		Planning
5	Lansbury Lawrence Primary School		Planning
6	Lawdale Primary School		Planning
7	Marion Richardson Primary School		Planning
8	Old Palace Primary School		Planning
9	Redlands Primary School		Planning
10	St Agnes Primary School		Planning
11	St Elizabeth Primary School		Planning
12	St Lukes Primary School		Planning
13	St Paul with St Luke Primary School		Planning
14	St Saviour's Primary School		Planning
15	Stepney Park Primary School		Planning
16	Morpeth Secondary School		Planning
17	Oaklands Secondary School	Reasonable	Final Report
18	Beatrice Tate Special School		Planning
19	LEAP – Harpley Inclusion Unit		Planning

5. Audit summaries

Title	Date of Report	Comments / Findings	Scale of Service
Governance of King George's Field Trust	Oct. 2024	<p>The purpose of this audit was to review the governance arrangements for the charitable trust to provide assurance that the organisation runs as a standalone entity and that its financial and operational management arrangements are clearly separated from the Council. The audit will also evaluate the potential consequences which could arise from any weaknesses in internal control procedures.</p> <p>During the audit we identified areas of good practice which included the following:</p> <ul style="list-style-type: none"> • The Board's purpose, quorum and membership were stated in the terms of reference and clearly on the webpage for the King George's Field Trust Board (KGFT). All Board members had signed Declarations of Interest for the current year. • Meeting minutes and agendas from April 2023 to May 2024 confirmed that for meetings held that declarations of interest were a standing item on the agenda. The Head of Arts, Parks and Services and the Democratic Officer advised us that Members were reminded by email twice in the year to make and update their annual declarations. • Discussions were adequately minuted. In addition, recordings of all meetings held were available on the website. There was a decisions paper for each meeting which recorded the decisions of the committee and accompanied the minutes. • We found that the Charity Commission's Public Benefit Guidance which explains the duties members have when acting for the King George's Field Trust was included in the papers for the Board meeting in November 2023 and previously in October 2022. • The Charity's strategy and objectives were outlined in management plans for both Mile End and Stepney Green. Our review confirmed that the Plans were clear on their priorities and their aims are specific and in line with the overall objectives of KGFT. Needs of the local residents were considered as part of the strategy and have been included within the specific objectives in management plans for Stepney Green and Mile End. A formal review of the strategy has been undertaken annually by the Arts, Parks & Events Services Team for Mile End and Stepney Green plans as part of the monitoring process in 2023/24 and 2024/25. The last review was completed in January 2024. • Regular monitoring of activities that support the strategy was carried out by the Parks team at regular intervals as appropriate to the activity, such as monthly or quarterly. The Trust Board was provided a quarterly update on the delivery of activities carried out during the period by the Charity. The update included activities for children, young people and families, sessions delivered and number of participants. • Each meeting of the Board from April 2023 to May 2024 a report prepared by the Head of Arts, Parks, and Events was presented with information for aid financial monitoring, including the current financial position of the Charity, and financial position forecasting. Variances to the financial position were highlighted but not expanded in detail. 	Extensive

Title	Date of Report	Comments / Findings	Scale of Service
		<ul style="list-style-type: none"> • We confirmed that KGFT produced its annual accounts independently from the Council, and we saw the audited accounts for year ended March 2022 by Arnold Hill & Co LLP, which were the most recent set of audited accounts available. The Charity Board received the audited accounts of year ended March 2022 and items raised by the auditor for discussion and approval in April 2023. • We confirmed that there was no mixing of funds between the Council and the Charity. There were appropriate cost centre codes for the budget holders and budget managers to clearly show Charity income and spending. <p>Our key findings from this audit include the following:</p> <ul style="list-style-type: none"> • Governance – Frequency of Board Meetings We found that only three of the eight Board meetings planned between April 2023 and May 2024 were held. The reasons for cancellations were not published, except in one case where the meeting was not quorate. The Board should aim to meet more frequently to effectively conduct its role effectively and commit to meeting at least quarterly. • Annual Accounts for year ended March 2023 At the time of the review, the set of accounts for year ended March 2023 were overdue, as they were still being audited. We were advised that this set of accounts was expected to be approved by the auditor in July 2024 and then reviewed by the Charity Board at an extraordinary meeting. Currently this meeting is not reflected on the Charity’s website. Therefore, at the time of reporting the requirement of the Charity Commission to file accounts within eight months of the year end is eight months overdue. • In August 2024, the Charity Commission issued a regulatory alert to local authority CEOs asking them to take action to ensure their organisation’s compliance with its duties when operating as a charity trustee. The Commission has seen a significant number of cases where local authorities have failed to comply with their legal duties, and not submitting accounts or annual returns to the Charity Commission when they fall due including not identifying when there is a conflict of interest. • Governance – Board Responsibilities and Membership The Board responsibilities did not include areas of good practice such as the frequency of meetings, specific decision making and monitoring requirements, division of accountability to roles and delegation where appropriate. Division and delegation of the Board’s roles and responsibilities should be expanded to better highlight its role and ensure that it is covering this effectively. The Council’s Cabinet (executive) is the Board. As indicated above the roles and responsibilities have not been effectively fulfilled in 2023/24 and 2024/25 to date. It might be appropriate to expand the membership of the Board to include some non-executive and independent members. The Council’s arrangements are quite unusual now and there would usually be the majority of independent trustees (including the chair) and a small representation from the Council to avoid conflicts of interest. • The Charity Commissions Advice and Training Arrangements 	

Title	Date of Report	Comments / Findings	Scale of Service
		<p>We found that the Board did not receive information or reminders about the latest advice from the Charity Commission. All advice was updated on the Charity Commission website in September 2023 and just recently on 9 September 2024, a new version of Decision Making for Trustees Guidance has been published.</p> <p>In addition, the Board does not receive regular formal training. Formal training should be established to support the Board to carry out its role. The Board should receive training or updates on the latest advice from the Charity Commission.</p> <ul style="list-style-type: none"> • Declarations of Interest <p>As stated in the good practice section, declarations of interest are a standing item on the agenda for Board meetings, and the Charity’s website showed that there were no annual declarations for the year. However, there is no mechanism in place for recording nil interests.</p> <ul style="list-style-type: none"> • Accessibility <p>The decisions at meetings are documented at a high level, and detailed discussion was captured as part of video recordings. However, we observed that the webcast does not provide captions for improved accessibility.</p> <p>All findings and recommendations were discussed with management in August 2024 and agreed in September 2024. The final report was issued to the Corporate Director of Communities and the Chief Executive.</p>	
Procurement of Consultants for Capital Works	Oct. 2024	<p>This audit sought to provide assurance that the services of technical consultants for capital works are being procured in accordance with the Council’s procurement rules and that the consultant’s performance is monitored. The Capital Delivery Team (CDT) within the Housing and Regeneration Directorate is responsible for managing and carrying out capital works for other client Directorates. As part of this, the Team procures technical consultants such as Client Agents, Architects, Surveyors, Structural Engineers and other specialists on a fixed fees basis. The Council’s Procurement Procedures require that Procurement below £100,000 in value, the Request for Quotation (RFQ) process must be followed, and all quotations must be invited through the electronic RFQ system (Proactis). Evaluation criteria for level one and two quotations can be based on cost only or cost and quality. Evaluation criteria for level three quotations (£50,001 – £100,000) must be based on cost and quality. All contracts with a value in excess of £100,000 must be procured through Corporate Procurement (full tender) to ensure compliance with the requirements of the Public Contracts Regulations 2015.</p> <p>During the audit we identified areas of good practice which includes the following:</p> <ul style="list-style-type: none"> • There are clear Council level policies and procedures in place regarding the procurement process. These procedures were available for all Officers on Bridge. • A Dynamic Procurement process which is managed by Central Procurement is used. • There was a corporate contract in place from which Dynamic Procurement can be exercised. 	Extensive

Title	Date of Report	Comments / Findings	Scale of Service
		<p>The key findings and issues from this audit include the following:</p> <p>Contract Register – Procurement procedures require each Directorate to hold an up-to-date contract register. We noted that the CDT did not have an accurate and complete register of all Technical Consultants procured by the team.</p> <p>Filing and Storing of Documents - Audit requested key documents for a sample of 23 technical consultants procured over the last two years. However, in a number of cases, a complete and clear audit trail from start to finish for these cases could not be established. Therefore, in these cases we were unable to fully test as to whether the procedures followed were compliant. In 6 cases, it was difficult for the team to provide any documentation. From our review it was clear that documents were not stored and filed as required by procedures and hence clear audit trails could not be established.</p> <p>Procurement of Consultants Over £100,000- From a sample of 23 consultants procured by the team, there were 6 procurements which were over £100,000 in value. These required full tendering to be undertaken and procurement managed by the Corporate Procurement team. The values ranged from £136,846 to £1,673,165. All procurement above £100,000 require a Project Initiation Form (PIF) to be completed. The PIF should contain full justification and business case for procurement. Out of a sample of 6, we were provided with only 1 PIF.</p> <p>Procurement of Consultants Under £100,000 - For contracts valued below £100,000 a Request for Quote (RFQ) is required to be completed. The RFQ procedures require a Tender Brief (tender Specification) to be completed which should detail the objective and specification of services that are required from the bidders. It should also detail whether the quotation is for price and quality or price only and clear evaluation criteria for evaluating the bids received by means of RFQs. There should be quality questions listed in the brief so that bidders are clear about the questions they will be assessed against. From our sample of 23 Technical Consultants, 17 were under £100,000. The value ranged from £45 - £51,560. Of the 17 cases, we were only provided with evidence of Tender Briefs/Specifications in 5 cases. For the remaining cases, no Tender Briefs/Specification evidence was provided and hence we could not establish complete audit trail and provide assurance that procurement procedures were complied with.</p> <p>Evaluation of Bids Under £100,000 (RFQ Process) - Our review showed that from our sample 17 procurements under £100,000, in 5 cases, two or more quotes were required. We were provided with clear evidence to suggest that in 3 of the 5 cases, one or more quotes were received, and the bids were evaluated to select a successful bidder. In all these 3 cases, the cheapest supplier was selected. In the remaining 2 cases out of 5, we were not provided with evidence to confirm that the RFQ process was followed. We also noted that when RFQs are undertaken, there were no standard documents completed for each RFQ. Different officers complete their own documents to different standards which suggests that staff may not know or understand the expected requirements. In only one case a complete audit trail was established, and a thorough process was followed. In the remaining cases, a full audit trail from start to finish could not be established and the basis on which the consultants were procured and appointed was not clear as there are gaps in evidence. Additionally, RFQ is required to be undertaken</p>	

Title	Date of Report	Comments / Findings	Scale of Service
		<p>using the Proactis system. However, we noted that only in 3 cases documents were completed and stored on Proactis to the required standards.</p> <p>Evaluation of Tenders Over £100,000 (Full Competitive Tendering Process) - Of the 6 cases of procurement above £100,000 which required full competitive tendering process, we were only provided with evidence of quality and price scoring data and evaluations for 2 cases. Testing showed that in none of the cases a complete audit trail was found to show evidence of tender invitation, tender briefs, pricing matrices, mini competition documents, tender evaluation and more.</p> <p>Insurance requirements - All bidders are required to provide the necessary insurance provisions to perform the services required of them. This includes Professional, Public and Employer's Liability cover. Out of a sample of 23 Technical Consultants we reviewed, we were provided with evidence of relevant insurances in only 2 cases. In the remaining 21 cases we were not provided with any insurance information for the procured suppliers. The CDT officers informed us that as insurance checks are made by Procurement when the suppliers are on-boarded, there was no need by the CDT to undertake any further checks to ensure that the insurance is valid after the original term of cover has expired. We provided further corporate guidance to CDT which requires the procurement owner to obtain and retain insurance certificates and ensure that the insurance indemnity is valid and in accordance with contract requirements throughout the contract duration.</p> <p>All findings and recommendations were discussed with the Head of CDT and controls were agreed to be put in place to demonstrate compliance in this area. Final report was issued to the Corporate Director of Hosing and Regeneration.</p>	
Housing Repairs	Sept 2024	<p>The purpose of this audit was to provide assurance that there are sound and adequate processes in place for identifying, ordering, post-inspecting and paying for General Build Housing Repairs works to Council owned dwellings. The audit also reviewed how the contractors' performance was managed and monitored. During the audit we identified areas of good practice which included the following:</p> <ul style="list-style-type: none"> • In respect of housing repairs payments, we confirmed for our sample that the required procedures had been followed in respect of sign off of works and invoice authorisation in accordance with the scheme of delegation. • Variations were subject to adequate scrutiny and approved before work was completed. • There is a KPI Framework in place, which is part of the contract with the contractors. The document informs contractors of the purpose, definition, measurement method, and work programme in which the KPI is measured. It also includes whether the KPI is subject to financial penalties, the KPI target and the minimum acceptable level. There is a KPI Dashboard in place. • Monthly contract management meetings are carried out and we confirmed that KPI discussion is a standing item. Other areas that are discussed include programme monitoring, operational works issues, contractor 	Extensive

Title	Date of Report	Comments / Findings	Scale of Service
		<p>updates, and health & safety compliance. The minutes that we reviewed documented the discussion in sufficient detail to outline discussions, decisions, and actions arising which were followed up.</p> <p>The following key findings and issues were reported:-</p> <p>Performance Monitoring - From our review of the KPIs Dashboard, targets had not been met in terms of completing repairs on time, completing repairs at the first visit, resolving complaints, and responding to customers. At an overall level, minimum acceptable levels under the contract were not met in 2023/24 for seven KPIs. We reviewed the most recent YTD performance available at the time of the audit (February 2024) against the KPI target. Within the 21 KPIs, we found that nine were below the target. In the first quarter of 2023/24, permissible penalties under the contract totalled £63,929.72 with four out of ten KPIs falling not met. The permissible penalties for the second quarter of 2023/24 totalled £89,942.40 with five out of ten KPIs not met. The Council had not claimed the penalties that it was entitled to for work not delivered as expected per the contractual terms and expected KPIs. The Council had at the six month point of 2023/24 lost potential credit of £154k. This may have impacted the financial position.</p> <p>Repairs Policy, Procedures and Roles and Responsibilities - The Repairs Policy available on the Council's website was outdated and not reviewed as required. There was no procedure document for Council officers in place to provide instructions on processing housing repairs.</p> <p>Housing Repairs – Quality Checks and Post Inspections - Within audit sample, there two repairs which were subject to a post-inspection (PI). However, no notes were entered on Northgate to provide sufficient evidence that the post-inspection was satisfactory. This is contrary to the expected control that for each PI, notes are entered to show that the PI was satisfactory or unsatisfactory. If satisfactory - the payment would proceed or if unsatisfactory a rectification notice would be issued.</p> <p>All findings and recommendations were discussed with the Head of Repairs and Interim Housing Manager. Final report was issued to Director of Asset Management and Interim Corporate Director of Housing and Regeneration.</p>	
Procurement and commissioning of Barristers and Solicitors	Oct 2024	<p>The objective of this audit was to provide assurance that systems of control around the procurement and commissioning of Legal Advice and Barristers are sound, secure and adequate and that Council's procedures are being complied with.</p> <p>The Council is a member of the London Boroughs Legal Alliance (LBLA). The LBLA is a consortium of London Boroughs who have come together for the purposes of procuring legal related services. There are two separate frameworks in place – one covers the use of Barristers and the second covers use of Solicitors. The LBLA Solicitors Framework started on 6th March 2022 and expires on 5th March 2026 with an expected spend of £500k per annum. Whereas the LBLA Framework for Barristers which started on 1st February 2021 has expired on 31st January 2024 with an expected spend of £1.2M per year. We noted that the Barristers framework has already expired and has not been re-procured as at the time of this audit. From the reports produced for the period 1st January 2021 to 31st July</p>	Extensive



Title	Date of Report	Comments / Findings	Scale of Service
		<p>2023, it seems that there were 999 Barristers and 153 Solicitors used by the Council during this period. The largest barrister's payment was for £30,000 and the smallest was £50. The largest Solicitors payment was for £10,975 whereas the smallest was £8.33. For financial year 203/24, the total spend on Solicitors and Barristers was £540,000.</p> <p>The audit identified the following good practices:</p> <ul style="list-style-type: none"> • The LBLA Frameworks is managed by Kennedy Cater, who facilitate the consortium arrangement and provides key reports and information to the Council on utilisation, spend etc. LBLA Framework provides competitive rates and such secures best value. • A Tollgate process was followed to seek approval from the Procurement Review Panel to award the Solicitors framework. • The arrangement provides a framework for Corporate Directors, Directors and Heads of Services to commission legal services which cannot be serviced by the in-house legal team. <p>The following key issues and risks were reported, all of which were accepted by Management:</p> <p>Policy and Procedures - There were no written internal guidance and procedures for service officers and for legal officers to follow when providers are required to be commissioned from the two Frameworks. In absence of clear internal procedures, the roles and responsibilities and processes to follow by the client department officers requiring Legal service was not clear. Similarly, there were no written internal procedures for Legal officers to follow once a request for a service is received from the client department. The LBLA Barrister's framework agreement ended on 31st January 2024 and needed to be re-procured and the authority to continue using this framework needed to be clarified.</p> <p>Procuring of Solicitors –We noted that the LBLA User Guide for Solicitors requires that all instructions under the Solicitors framework are either by means of direct call-off or by a mini-competition. However, in absence of any internal guidance for the legal team, we were not clear whether there were any approved criteria for direct award to a firm and for undertaking a mini completion. The LBLA User Guide al requires that following an instruction for a direct call-off or under mini-competition, a proforma call-off contract order form is required to be completed and executed between the Council and the provider. The order form should state the services required, time frame, agreed fee rate and other key details as per the order pro-forma. Our testing of a sample of 16 solicitors commissioned in the period April 2023 to May 2024, showed that in none of the 16 cases we tested, there was evidence of an Order Form being completed to show details of the services required, timeframe for delivery, agreed fee rate etc. We were informed by Legal Services that instead of raising the Call Off Forms, the practice is to commission a solicitor by means of email correspondence. However, we were not provided with email correspondence to for us to establish the complete audit trail in this area.</p>	

Title	Date of Report	Comments / Findings	Scale of Service
		<p>Procuring of Barristers – From a sample of 12 Barristers procured during April 2023 to May 2024, we found that in 5 cases there was evidence of Approval Of Counsel forms. In the remaining 8 cases, there was no evidence of Approval forms being completed.</p> <p>Audit Trail - During this audit we attempted to establish audit trail from the point when a request is received by the Legal team to commission a Barrister or a Solicitor through to approving of invoice. Our testing showed that in none of the 16 cases where Solicitors were commissioned from the Framework, was there any evidence of email or note from the commissioning client provided to substantiate the initial request. Similarly, in 10 out of 12 Barristers procured, we were not provided with evidence of the original request by the client Directorate. Therefore, we could not check that any instructions to Barristers and Solicitors were in line with the requests received by the Legal team from the client Directorate. In addition, there appeared to be no proper filing system within Legal team to ensure that an individual folder is created for each request from client Directorate and that all related documents are saved in this folder to preserve a complete audit trail. In addition, no documentation was kept regarding the decision to call-off directly from the panel or any mini competition undertaken. We were informed that the instructing legal officer would phone Kennedy Cater to find out which chambers have the required specialism and availability. Once the chambers have been chosen, a list of available Barristers or Solicitors will be provided and then a Barrister or Solicitor will be commissioned and confirmed over the telephone.</p> <p>Services Procured Directly by Client Directorate – During our sample testing, we found 2 cases where legal services were procured directly by the client Directorate. We were informed by the Legal team that there are times when Directorate officers procure services directly from a Barrister or Solicitor without referring it to the Legal team. This is not in accordance with procedures.</p> <p>Declaration of Interests- Although corporately officers are required to complete declaration of Interests on an annual basis, there appears to be no system for Legal officers who deal with Chambers and Solicitors directly to make declaration of interests at an engagement level.</p> <p>Performance Monitoring of Barristers and Solicitors – From our enquiries, there appears to be no formal monitoring of performance of any of the firms commissioned by the Council. We were informed that any feedback and complaints by the Council can be passed onto Kennedy Cater who would relay the feedback to the provider company and keep a copy for their record. However, there appears to be no systematic basis on which performance is monitored. We were informed that other Local Authorities use a monitoring checklist for external legal advice. This method of monitoring needs to be put in place by LBTH.</p> <p>Client Approval for Invoice Payment - Of the 12 Barristers in Audit sample, in 8 cases we were provided with evidence that the directorates/team had authorised the payment before the invoice was paid. In 1 case we were told as it was a childcare matter there was no direct client authority as expenditure is agreed as a blanket agreement. This leaves 3 instances where there was no evidence that payment was authorised before invoice was settled. We could not test whether invoices for Solicitors were approved by client Directorate before invoices were paid, as the necessary evidence we not provided to audit, despite many reminders. We tried to match the invoiced rates with</p>	

Title	Date of Report	Comments / Findings	Scale of Service
		<p>contract rates and found that in 5 cases we could verify that the rates charged on invoice were in line with the contract rates. We found that the majority of invoices did not detail the time spent, type of service provided, and the rate card used. For Barristers, we were not provided the contract rates and hence we could not test the rates charged on invoices.</p> <p>All findings and recommendations were discussed and agreed with the Head of Commercial and Contracts and the Practice Manager. Final report was issued to the Interim Director of Legal and Monitoring Officer.</p>	
Lone Working Arrangements	Oct 2024	<p>The objective of this audit was to provide assurance around the adequacy and soundness of controls around the Council's Lone Working arrangements. During the audit we identified following areas of good practice:</p> <ul style="list-style-type: none"> • The Lone Working and Personal Safety Policy is in place dated November 2022. It is available on the Bridge, along with the risk assessment process that managers need to complete. There was an accident / incident form available on the Bridge for reporting any incident that might be encountered during lone working. • From our sample testing of lone workers, whom we interviewed, all stated that they carry a mobile phone with them at all times. We noted that as risk mitigation for some of the highest risk jobs such as a Tower Hamlets Enforcement Officers (THEOs) and night shift Parking Wardens require two person working rather than just one worker. • For services like Food Inspectors and Corporate H&S Enforcement Officers, staff can request to carry out site visits in pairs. Arts, Parks and Events, provided along with their risk assessment a document namely lone working procedure which was a flowchart which shows what to do if a problem has occurred. • Planning Enforcement team has clear procedures for site visits. Whereas Tower Hamlets Behaviour and Attendance service has set standards for home visits for staff to follow. <p>The following key findings and issues were reported to Management for action:</p> <p>Governance Arrangements – The Council has a Lone Working and Personal Safety Policy and Guidance in place which is published on the Bridge. The policy document is dated 4th November 2022. The policy requires risk assessments to be carried out for the whole service and where lone working is required, a specific risk assessment is required. However, currently the Council does not have a central database of lone workers across all services and therefore, the control appears to be weak in this area. In addition, we were not clear what the Council framework is for providing Corporate level oversight and monitoring of Lone Working and incidences arising from Lone working.</p> <p>Lone Working and Personal Safety Risk Assessments – The Council's policy on Lone Working requires Managers to complete risk assessment of significant risks associated with lone working and/or a risk to personal safety (using the corporate risk assessment template). We selected a sample of 17 services for further testing. The following issues were identified: -</p>	Moderate

Title	Date of Report	Comments / Findings	Scale of Service
		<ul style="list-style-type: none"> ➤ In 4 cases, there were no lone working risk assessments in place, despite the service having lone workers identified in that area. ➤ In 6 cases, audit was provided with a lone worker risk assessment. However, these risk assessments were not always fully completed. We found cases where the risk scoring was missing, so it was not clear whether the risk was low, medium or high. In some cases, the actions, action owners and due dates were missing. ➤ In 5 cases, we were not provided with a risk assessment, despite reminders and therefore cannot confirm if one is in place or not. In 1 case, the risk assessment provided to us was a generic one and not specifically for lone workers. ➤ When speaking to a sample of 13 lone workers, we found that only 9 officers were aware of a risk assessment in place but not all could confirm what the risk assessment form contained and what mitigating actions were needed. ➤ Where risk assessments were carried out, it was not clear whether the risk assessments had been signed off by Managers and the lone worker and whether the lone worker was given a copy of the risk assessment so that they are aware of how to mitigate identified risks. In addition, we noted that the Corporate Health and Safety team do not carry out systemic review of the lone worker risk assessment to provide assurance that these were being completed satisfactorily. <p>Staff Training – The Council’s policy on lone working requires provision of appropriate training for staff and for managers. We were informed that training on Lone Working is available on an e-module on the Council’s Learning Hub. Our review of the training log showed that since April 2023 only 38 staff have completed the e-training. From our sample of 13 officers, only 3 Officers completed this learning.</p> <p>Supervision and Communications – In order to test the extent of staff supervision and communications for Lone Workers, we carried out interviews with a sample of 13 lone workers across 8 different services. According to the Council’s policy on Lone Working, lone workers must not go into lone working unless certain applicable mitigating actions are completed. This include completion of an electronic diary and being equipped with lone worker devices (such as a personal or work mobile phone or any other relevant device such as a radio) and informing Managers about their location etc. We found the following: -</p> <ul style="list-style-type: none"> ➤ In 9 cases staff informed us that they do not let their managers know when going to premises alone. Therefore, it seems that in these cases, managers may not be aware of their staff’s whereabouts as there may not be an agreed local system to record lone workers’ locations. ➤ In 6 cases, staff informed us that an incident or heated situation had previously occurred to them whilst lone working. We were informed that in all these cases incident forms were completed and sent to line managers and H&S team. ➤ In 7 cases staff stated that they wear a personal safety device. One officer told us that they always try to keep their diary up to date but sometimes are so busy they do it after visiting. 	

Title	Date of Report	Comments / Findings	Scale of Service
		<ul style="list-style-type: none"> ➤ In one case we were informed that inducements (e.g. bribes) were offered when a lone worker would visit a client. We were not clear what guidance is in place when such inducements are offered. ➤ All staff interviewed had a mobile phone on them either personal or work issued. <p>Monitoring and Oversight - The Joint Corporate Health and Safety Committee (JCHSC) is responsible for the overall staff Health and Safety risks, including lone working risks. However, the Committee does not appear to have overall responsibility for monitoring the effectiveness of compliance with policy and procedures.</p>	

Opinion		Definition
Substantial	Positive 	A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable		There is a generally sound system of governance, risk management and control in place. Some issues, noncompliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Adverse 	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and/or control to effectively manage risks to the achievement of objectives in the areas audited.
No		Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and/or control is inadequate to effectively manage risks to the achievement of objectives in the areas audited.

Disclaimer

This report has been prepared for the use of the Audit Committee and Senior Management of the Council. Details may be made available to specified external agencies, including the external auditor, but otherwise the report should not be quoted or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared and is not intended for any other purpose.