

Limited Assurance

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
<p>Parking Appeals Systems Audit</p>	<p>July 2012</p>	<p>The objective of this audit was to provide assurance that the systems of control over the Parking Appeals functions were sound, secure and adequate.</p> <p>The Parking Appeals Service is responsible for dealing with and processing appeals submitted by motorists who claim that Parking Charge Notices (PCNs) have been incorrectly issued to them. Appellant who dispute the decisions made by the Council can appeal to the independent Parking And Traffic Appeals Service (PATAS). 721 appeals were referred to PATAS between April 2011 and Jan 2012.</p> <p>The main findings are summarised below:</p> <ul style="list-style-type: none"> <li>• Formal and informal representations were date stamped on receipt and then organised into batches.</li> <li>• Correspondence received is scanned onto the system in a timely manner and a Batch log is kept and updated continually.</li> </ul> <p>The main weaknesses are:</p> <ul style="list-style-type: none"> <li>• Cancellations are not specifically sample checked on a monthly basis.</li> <li>• A system error with Chipside resulted in the Parking Appeals Service being unable to contest some PATAS cases.</li> <li>• The current Appeals Policy needs to be revised to reflect the implementation of the Chipside IT system.</li> <li>• Delays were occurring in responding to letters within timescales although the audit did not identify loss of income.</li> <li>• Proof of validation for cancelling notices was not always recorded on Chipside.</li> <li>• PCN check forms were not always signed or dated to evidence review.</li> </ul> <p>The findings were agreed with the Service Head, Public Realm and the final report was issued to the Corporate Director, Communities, Localities and Culture.</p>	<p>Extensive</p>	<p>Limited</p>

**Management Comments**

The audit of parking appeal unfortunately coincided with the implementation of the Chipside Case Management IT system. However, all monitoring systems now reflect the new processing regime and the correct response to appeals notification has reduced to below 20 days.

All reconciliations have been progressed to the required timescale.

## Summary of Audits Undertaken

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Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Chipside Parking Implementation	August 2012	<p>This audit was designed to provide assurance over the application and implementation controls of the Council Parking application Chipside, which was in the process of being implemented at the time of the audit. The audit covered the following areas:- Application Management and Governance, System Security, Interface Control and Processing, Change Control, Support Arrangements and Implementation Controls.</p> <p>We raised 10 recommendations:-</p> <ul style="list-style-type: none"> <li>• The contract and associated service level documentation for the Case Manager application should be signed by both parties and appropriate licensing arrangements put in place for the Council's usage of the system.</li> <li>• The governance arrangements should be documented this includes clearly identifying the roles and responsibilities that are required to support and maintain the application. The confidentiality and sensitivity of data that is processed through the application should be noted and classified</li> <li>• The Case Manager application password settings should conform to the London Borough of Tower Hamlets ICT Information Security Policy.</li> <li>• A formal Case Manager user access procedure should be implemented that sets out the user name and access requirements.</li> <li>• A formal process to amend master data (Core system data) should be introduced that requires authorisation by an appropriate level of management and includes a sign off that the system has been correctly updated</li> <li>• The system administrator should review the Chipside Case Manager audit logs on a regular basis to determine whether any unsuccessful login attempts are an attempt to gain unauthorised access to the system</li> <li>• Management should consider establishing formal periodic reviews of all Case Manager user accounts</li> <li>• The change control process that is in place for the Chipside application is formally documented.</li> </ul>	Moderate	Limited

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Chipside Parking Implementation	August 2012	<ul style="list-style-type: none"> <li>• An assessment should be carried out on what has not yet been implemented and what the impact is of the remaining areas of functionality to be implemented. A lessons learned exercise should also be carried out on the initial implementation and any key areas for improvement or success used to feed into a plan for ongoing development of the application</li> <li>• Management should ensure that the implementation of the Case Manager application is supported by project documentation and the implementation is in line with the Council Project Methodology and provide this to internal audit</li> </ul> <p>The findings and recommendations were agreed with the Policy and Performance Enhancement Manager and a copy of the final report was issued to the Service Head – Public Realm and the Corporate Director – Communities, Localities and Culture.</p>	Moderate	Limited

**Management Comments**

This audit was carried out while the Case Manager application was still being implemented and many of the recommendations stemmed from issues that Parking Services were not only already aware of but already had plans to deal with. As such, all actions have been addressed to the agreed schedule.

Recommendations raised have been dealt with during the implementation processes and only three weaknesses are currently due to be actioned by the end of September. Work is on-going on the remaining three recommendations and we expect the work to be completed by the end of September.

Substantial Assurance

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Overcrowding Strategy	June 2012	<p>This audit sought to provide assurance that the systems and procedures supporting the Council's Overcrowding Strategy were sound, secure and achieved the objectives and priorities. The main findings are summarised below:-</p> <ul style="list-style-type: none"> <li>• The Overcrowding Strategy was part of the high level Housing Strategy and there was an Action Plan that set out how the Strategy would be delivered. The Action Plan stated the individuals responsible for implementing the actions and the deadlines to be followed.</li> <li>• The Overcrowding Strategy was communicated to local residents via the internet.</li> <li>• The Common Housing Register Forum - a partnership between the Council and 18 Housing Associations had been set up to monitor the delivery of the Strategy.</li> <li>• Recommendations from the Common Housing Register Forum were discussed with corporate committees to ensure adequate resources were available to deliver the Overcrowding Strategy.</li> </ul> <p>The main weaknesses were:</p> <ul style="list-style-type: none"> <li>• Delays were identified in the presenting of the 2011/12 Overcrowding Reduction Strategy mid-year progress report to the Common Housing Register Forum.</li> <li>• The Housing Strategy Action Plan update, which included overcrowding reduction, was produced for 2010/11 but was never actually presented to the Great Place to Live Community Plan Delivery Group as they did not meet.</li> </ul> <p>The findings were agreed with the Service Head, Strategy Regeneration and Sustainability. The final report was issued to the Corporate Director, Development and Renewal.</p>	Extensive	Substantial

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Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Management of Community Building Portfolio	June 2012	<p>This audit provided assurance over the systems for managing the Community Building Portfolio and allocations to Third Sector Organisations. The Council's Asset Management Plan (AMP), approved by Cabinet on 09/02/2009, identifies the strategy for the portfolio management and Third Sector occupation of community buildings. LBTH owns some 80 community buildings. Currently, Strategic Housing D &amp; R have responsibility for community buildings, managed by Asset Management. Decisions on allocations are made by the Third Sector &amp; External Funding team. We found adequate arrangements for the allocation of Council-owned property to third sector organisations. There were clear divisions of duty between the application, assessment and approval process. Some 46 organisations in occupation had been issued with a Tenancy at Will agreement of which 15 had not been signed by organisations. A peppercorn rent had been charged, which was not paid. We recommended that where organisations refuse to sign agreements, eviction should be considered.</p> <p>A system of quality checks and spot checks needed to be introduced to monitor compliance with procedures. We found instances where organisations submitting applications did not provide the required three months banking records. We recommended that bank statements for the last 12 months should be submitted to demonstrate financial viability. We were unable to fully evidence assessment process as the officer undertaking the assessment did not sign or date the assessment form. We also recommended that as part of the assessment process, the applicant organisations' current liabilities should be considered with regards to any outstanding rent arrears on other Council buildings leased to them. The Community Buildings Portfolio was being managed in the interim by Asset Management and a decision was required on its future. An external Consultant's report highlighted the need for review of the current allocations process, revising the current Asset Management Strategy and a new model letting agreement. All findings and recommendations were agreed with Service Head, Corporate Asset Management and Capital Delivery and the Third Sector &amp; External Funding Manager. Final report was issued to the Corporate Director, Development and Renewal.</p>	Extensive	Substantial

## Summary of Audits Undertaken

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Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
<p>Monitoring of Facilities Management Contracts</p> <p>Systems Audit</p>	<p>July 2012</p>	<p>The objective of this review was to provide assurance to management that controls for management and monitoring those contracts administered by Facilities Management were sound and secure.</p> <p>On the basis of findings raised, we recommended that the governance arrangements should be strengthened to ensure that all the procurement and monitoring activities were well documented, risk assessed, controlled and monitored to achieve key business objectives and priorities of the Council. Officers managing contracts and quotations required training on key elements of contract monitoring. Contract management procedures needed to be documented. Our testing also showed that minutes of meetings with contractors needed to be transparent to demonstrate that issues were carried forward and resolved. Variations needed to be tracked to manage the risk of additional work being awarded to contractors. In providing various FM services to Directorates, FM charges costs against the budgets owned by other Directorates. Therefore, there should be a duty to report back to Directorates on the quality of services and value for money being provided by various contractors monitored by FM. We have recommended that an annual report should be produced by FM to discharge this responsibility.</p> <p>All findings and recommendations were agreed with the Service Head – Corporate Asset Management and Capital Delivery and final report was issued to Corporate Director – Development and Renewal.</p>	<p>Extensive</p>	<p>Substantial</p>



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Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Management of Payments for Energy Supplies	Aug. 2012	<p>This audit sought to provide assurance that sound systems were in place for managing and controlling payments to energy suppliers.</p> <p>Our review showed that complex process maps were drawn up to show various stages in the billing, payments and recharges processes. However, these needed to be supported by written procedures to include roles, responsibilities and accountabilities of all parties. There were in excess of 2,600 sites supplied with gas and electricity under the Council contract. Due to movements in the Council's portfolio of buildings, the database was out of date and needed to be updated.</p> <p>Our testing of a sample of 28 sites for electricity and gas supplies showed that the billing and data transfer from Suppliers to Team Sigma and Team Sigma to LBTH was working adequately. For sites whose cost centres were known by D&amp;R Finance, energy payments were recharged directly to those cost centres. For schools, a re-billing process was put in place to ensure that energy payments made by the Council were recharged to individual schools via Debtors section through Debtors Accounts raised to individual schools. However, there was a delay in recharging schools for 2011/12, which had been regularised and a programme had been drawn up for quarterly recharges.</p> <p>Electricity and gas tariffs and rates charged by suppliers agreed with the contracted rates and tariffs for each site. Our testing of payments made to energy suppliers showed that the payments system was adequate and controls were designed to identify coding errors, potential duplicate payments etc. However, there was no overall reconciliation process in place with the Council's General Ledger system. Our testing showed some minor discrepancies between Team Sigma data and Supplier Invoices.</p> <p>All findings and recommendations were agreed with the Service Head – Resources and final report was issued to Corporate Director – Development and Renewal.</p>	Extensive	Substantial

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Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Performance Management	July 2012	<p>To provide assurance that the performance management system and its accompanying targets and measures adequately support and promote the achievement of the Council's and the Mayor's strategic priorities and pledges.</p> <p>The main findings are summarised below:</p> <ul style="list-style-type: none"> <li>• There is a Performance Management and Accountability Framework (PMAF) in place which sets out the Council's performance management approach. Appropriate performance standards have been developed and relevant performance information is produced and used to improve performance.</li> <li>• The PMAF is supplemented by more specific guidance on the development process and required content of plans. The PMAF is stored on a shared space accessible to all staff involved in the planning and performance management process.</li> <li>• A Performance Review Group (PRG) has been set up to review performance of the Council and its directorates. Corporate performance information is uploaded on to the Excelsis system (Corporate Performance System) by all directorates. This information is used by the Corporate Performance team to evaluate performance.</li> <li>• The Council has an approved 2011/12 Strategic Plan in place that will be replaced by the plan for 2012/13 once finalised and approved.</li> </ul> <p>The main weakness is:</p> <ul style="list-style-type: none"> <li>• According to the PMAF it is not mandatory for directorates to develop a directorate plan. They are however required to develop service/team plans. Whilst the services / teams within directorates link their service plans directly to the Council's overall strategic plan, these plans were not consistently reviewed and approved by a senior level Directorate group.</li> </ul> <p>The findings were agreed with the Strategy, Policy and Performance Service Manager and the final report was issued to the Assistant Chief Executive (Legal Services).</p>	Extensive	Substantial

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Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Leavers Follow Up Audit	July 2012	<p>This audit sought to provide assurance to management that the agreed recommendations at the conclusion of the Follow-Up audit in March 2012 had been fully implemented. From our review, we could provide assurance that of the four Priority one recommendations, all had been progressed well. However, the following issues required further consideration:</p> <ul style="list-style-type: none"> <li>• Of the completed leavers forms sampled, we found that in 12 out of 19 cases, the Manager had not completed the section concerning the return of Council owned property.</li> <li>• Where an end of year manual adjustment was required, a confirmation of payroll leaver form was not submitted in a timely manner. The manual adjustment had been processed even though it had not been checked and certified.</li> <li>• The Confirmation of Leaver's form required revision as it stipulated that Managers are required to submit a copy of the annual leave card to HR, although it is the responsibility of the Manager to calculate any outstanding annual leave.</li> </ul> <p>All findings and recommendations were agreed with the Service Head, Human Resources and Workforce Development and copy of final report was issued to the Corporate Director, Resources.</p>	Extensive	Substantial

**Summary of Audits Undertaken**

**APPENDIX 2**

<b>Title</b>	<b>Date of Report</b>	<b>Comments / Findings</b>	<b>Scale of Service</b>	<b>Assurance Level</b>
Financial Systems (THH)	June 2012	<p>This audit sought to provide assurance that there were sound systems in place for efficient and effective management of some key financial systems.</p> <p>Our review showed that controls were satisfactory for procurement, creditors, treasury management, bank reconciliation, VAT management, cash flow management and payroll reconciliation. However, we established that whilst a THH Financial Accounts Checklist was maintained for each of the months and whilst the checklist had been ticked off to confirm that key working papers had been completed including the bank and payroll reconciliation, there was no actual sign off to confirm that an independent check had been completed by a second officer. In addition, the Checklist was not dated to show the date on which the checks were carried out and signed off.</p> <p>All findings and recommendations were agreed with the Director of Finance and Customer Services and final report was issued to the Chief Executive.</p>	Extensive	Substantial

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Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
<p>Budgetary Control (THH)</p> <p>Systems Audit</p>	<p>June 2012</p>	<p>The objective of this audit was to provide assurance over the systems for budget setting, monitoring and overall budgetary control within THH.</p> <p>Overall, there were satisfactory systems in place for budget setting, approval and monitoring. We tested a sample of five service budgets and verified the approved budgets to the budgets loaded on the General Ledger. In all five cases a budget holder had been identified and a budget sign off sheet, which incorporated guidance notes covering budgetary control and monitoring mechanisms, had been signed off by the budget holder. A consolidated set of Management Accounts Reports were compiled on a monthly basis which provided an overview of the overall financial position of THH. Review of the December 2011 Management Accounts Report showed that a surplus of £1.0m by year end was expected to be achieved.</p> <p>We made two low priority recommendations. One was to ensure that the cost centre used as a suspense account, be cleared and actively managed. At the time of audit, there was a total of £283,687 coded to this suspense account. The second recommendation was around the management of accounting codes available to THH to ensure that they are kept down to manageable levels.</p> <p>All findings and recommendations were agreed with the Director of Finance and Customer Services and final report was issued to the Chief Executive.</p>	<p>Extensive</p>	<p>Substantial</p>

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<p>Health and Safety at Work (THH)</p> <p>Follow Up Audit</p>	<p>July 2012</p>	<p>This follow up audit assessed the progress made in implementing the agreed recommendations at the conclusion of the original audit finalised in October 2010. From our testing we were able to confirm that out of four recommendations agreed, one priority 1 recommendation and two priority 2 recommendations had been implemented. One priority 2 recommendation had not been completed to a standard whereby we could give assurance of full compliance. Therefore, our original recommendation made in the final report has been kept within this follow up review for Management to fully address.</p> <p>We reported that THH had reviewed and updated the Health and Safety policy in December 2011. A new structure had been updated to reflect the new shape of the business with clear lines of responsibility within each service area. The Director of Finance &amp; Customer Services had been identified as the Director responsible for Health &amp; Safety for THH. To promote THH commitment to Health &amp; Safety, the signed (by Chief Executive) policy statement was to be displayed in all work places as well as the THH intranet to highlight the importance that the organisation places on health &amp; safety. Risk assessments had been carried out and the responsibility for the delivery of fire risk assessments (FRA) to residential properties was transferred to the Health &amp; Safety Co-ordinating Group. There was a programme of inspections maintained by THH outlining dates when risk assessments were undertaken and the timescales. Health and Safety had now been incorporated into team plans and a training needs analysis has been undertaken for all THH Staff. However, we could not evidence that performance indicators in relation to health and safety training provided was being reported to the THH Board.</p> <p>All findings and recommendations were agreed with the Director of Finance and Customer Services. Final report was issued to the THH Chief Executive.</p>	<p>Extensive</p>	<p>Substantial</p>

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Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Decent Homes Programme - Contract Audit (THH)	Aug 2012	<p>This audit examined the systems for monitoring and managing Decent Homes Framework contract to deliver years one and two (2011/12 &amp; 2012/13) of the four year Decent Homes Backlog Funding Programme. Two contractors were selected using the City West Homes Framework procurement - approved by Cabinet on 8/06/11. The contract administration function is provided by an external building consultant, monitored by the THH Head of Property.</p> <p>Our review showed that there were adequate governance arrangements in place both at strategic and operational levels. A tracker system was in place to monitor works progress and cost control. Payments to the contractor were made in accordance with the bill of quantities/schedule of rates. Regular cost reports were provided to THH and the Council. Risks associated with contract over run and overspend can be identified promptly. Client monitoring of the two contractors was adequate. Performance monitoring results were regularly reported on and agreed KPI's were in place and monitored.</p> <p>However, our testing showed that evidence of Due Performance Guarantee Bond was not in place for one contractor. THH have provided assurance to audit that the Bond was subsequently secured and that in future formalisation of financial contract would not take place unless Performance Guarantee Bond along with all other associated documentation has been supplied by the contractor. We were unable to fully verify that the service delivery of the external building consultants was being sufficiently monitored in accordance with terms of reference and agreed KPI's as the minutes of monthly performance meetings were not formalised and did not support formal monitoring. Furthermore, it would appear that matters concerning contractors and external consultants insurance were not routinely flagged up for monitoring purposes at the contract review meetings.</p> <p>All findings and recommendations were agreed with the Head of Property and final report was issued to the Chief Executive.</p>	Extensive	Substantial

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Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Occupational Health	July 2012	<p>This audit provided assurance to management as to whether the systems of control over the Occupational Health functions were sound, secure and adequate.</p> <p>The Occupational Health Service provides traded services to 91 schools, Tower Hamlets Homes and four housing associations. All treatments were through management referrals and there was no walk in service. 5,318 elements of the service were delivered in the period 31<sup>st</sup> March 2011 to – 1<sup>st</sup> April 2012, with an average delivery of 443 activities a month.</p> <p>The main findings are summarised below:</p> <ul style="list-style-type: none"> <li>• An Occupational Health Departmental Manual had been developed.</li> <li>• There was a standard referral form in place.</li> <li>• Episodes were created on the OPAS system for each referral to ensure a record of the referral and consultation was available.</li> <li>• Physical access to hard copy files was restricted.</li> <li>• Access to the online system had been restricted to the Occupational Health team.</li> </ul> <p>The main weaknesses were:</p> <ul style="list-style-type: none"> <li>• Evidence was not always maintained that referral forms had been through the review and triage process.</li> <li>• Performance targets, documented within the Occupational Health and Wellbeing Department Manual were not currently monitored due to a problem with the OPAS system reporting module.</li> </ul> <p>The findings were agreed with the Occupational Health Manager and the final report was issued to the Corporate Director, Resources.</p>	Extensive	Substantial



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Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Housing Benefits	July 2012	<p>To provide assurance to management as to whether the systems of control over the Housing and Council Tax Benefits functions are sound, secure and adequate.</p> <p>The main findings are summarised below:</p> <ul style="list-style-type: none"> <li>• Policies and procedures are in place, and transactions and processing accords with these approved guidelines.</li> <li>• Claims are processed accurately and in a timely manner for both council tenants and private tenants.</li> <li>• Verification checks are made to ensure that there is sufficient information to process a HB claim in line with the verification procedures.</li> <li>• The calculation of benefit is consistent with procedures outlining rates and amounts of HB entitlements.</li> <li>• Senior staff carry out sample checks to confirm the accuracy and timeliness of processing.</li> <li>• Discretionary payments are approved by the Appeals team and are only granted where there is adequate justification.</li> <li>• Regular management information is produced and performance is benchmarked with other Authorities.</li> </ul> <p>The main weakness is :</p> <ul style="list-style-type: none"> <li>• Balances from the housing benefits system and GL (One World) did not reconcile for six out of seven months (between April 2011 and October 2011). The discrepancies were not significant and related to timing issues.</li> </ul> <p>The findings were agreed with the Service Head, Customer Access and ICT; and the final report was issued to the Corporate Director, Resources.</p>	Extensive	Substantial

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Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Treasury Management –  Systems Audit	June 2012	<p>The objective of this audit was to assure management that the systems for controlling, monitoring and reporting treasury management transactions were sound, secure and adequate.</p> <p>Our review found that legislation and guidance in relation to Treasury Management Strategy, Annual Investment Strategy and the Minimum Revenue Provision was complied with by the Council. Procedures within Treasury Management had been subject to recent revisions and a new Contract for Treasury Management Advisory Service is in place to support the Treasury Management function. Testing of a sample of investments found that investments were made in accordance with the Treasury Management Strategy and the Annual Investment Strategy.</p> <p>Monthly reporting by SECTOR against target, participation in the CIPFA's Management Benchmarking Club and reporting up to and including full Council ensures that there is regular monitoring and reporting of performance.</p> <p>We have, however, highlighted control weaknesses, which Management should agree and implement to mitigate risks to the Council. For example, that a Senior Officer should regularly review payments in respect of investments made. That the new cash flow model used should have a corresponding procedural document and should have the facility to assess the variance between the forecast and actual cash flow position.</p> <p>All findings and recommendations were agreed with the Service Head - Financial Services, Accountability and Risk Management, and final report was issued to the Corporate Director – Resources.</p>	Extensive	Substantial

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Title	Date of f	Comments / Findings	Scale of Service	Assurance Level
Information Security - Paper Based Data Storage and Security - Follow Up Audit	July 2012	<p>This audit followed up recommendations made at the conclusion of the original audit finalised in August 2011.</p> <p>Our follow up testing showed that of the seven priority 1 recommendations, five had been implemented. Two of the seven priority 1 recommendations were no longer required due to other compensatory actions taken by the Head of Legal Services (Community). There is assurance that sufficient progress has been made in implementing the agreed recommendations.</p> <p>However, we raised two other recommendations. The first one was that consideration should be given as to whether the Corporate Information Risk policy is required within the Council's Information Governance Framework. If this is not required, then the reference should be deleted from the IGG Framework and other documents on this subject. The second recommendation was around seeking assurance from each Directorate via the Information Governance Group, regarding the progress made at Directorate level in carrying out risk assessments of their information assets and compliance with the new policies and procedures.</p> <p>All findings and recommendations were agreed with the Head of Legal Services (Community) and final report was issued to the Assistant Chief Executive (Legal Services).</p>	Extensive	Substantial

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Highways Works Contract Monitoring – Follow Up Audit	July 2012	<p>This audit assessed the progress in implementing recommendations made at the conclusion of the original audit in February 2011. From our testing we confirmed that the one priority 1 recommendation we made had been implemented. Out of three priority 2 recommendations, two had been fully implemented and one had been partially completed.</p> <p>The Section Head Transportation and Highways had ensured that all staff had completed a declaration of interest form. Officers were required to declare interests on an annual basis. Our review of documentation showed that key risks areas had now been identified and compensatory controls put in place to manage those risks. Processes were to be put in place to ensure that all future contracts or contract extensions included provision for annual declaration to confirm compliance with the security and confidentiality of personal data. Our testing showed that the minutes of contract monitoring meetings needed to clearly record the contractor's achievements against KPI's and performance targets set for them. Any corrective action taken to address any non-performance issues also required to be clearly recorded in these minutes.</p> <p>All findings and recommendations were agreed with the Group Manager – Improvement Works and final report was issued to the Corporate Director, Communities, Localities and Culture.</p>	Extensive	Substantial

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Bow School of Maths	July 2012	<p>The audit was designed to ensure that there were adequate and effective controls over the administration and financial management of the school. Our review confirmed that the school has an established Governing Body and a Finance, Premises and Site Committee responsible for financial planning and control. Controls were adequate in monitoring of school bank accounts; procurement of goods and services; accounting for income and expenditure; budget monitoring; collecting and recording of income; personnel and payroll management; recording of assets; disaster recovery; risk management and insurance.</p> <p>The main weaknesses were as follows:-</p> <ul style="list-style-type: none"> <li>• Finance, Personnel and Site Development Committee, Standards Committee and the Health and Safety Committee minutes since January 2011 had not been signed off by the Chair of the Committee.</li> <li>• The School Improvement Plan did not include financial / resource requirements for relevant objectives. The Plan had not been formally approved by the Governing Body.</li> <li>• The Pay Policy which should be reviewed annually was last review in December 2010. The Charging Policy had not been reviewed within the last 12 months.</li> <li>• Testing identified that free school meals are being provided to ineligible children.</li> <li>• A full inventory check has not been undertaken within the last 12 months.</li> <li>• The School Fund has not been independently audited since the March 2010 year end.</li> </ul> <p>All findings and recommendations were agreed with the Head Teacher and reported to the Chair of Governors and the Corporate Director - Children, Schools and Families.</p>	Moderate	Substantial

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Cubitt Town Infants School	June 2012	<p>The audit was designed to ensure that there were adequate and effective controls over the administration and financial management of the school. Our review confirmed that the school has an established Governing Body and a Finance Committee responsible for financial planning and control. Controls were adequate in monitoring of school bank accounts; accounting for income and expenditure; procurement (including ordering and payment); collecting and recording of income; personnel and payroll management; eligibility of school meals; disaster recovery; risk management and insurance. The main weaknesses were as follows:-</p> <ul style="list-style-type: none"> <li>• Meeting minutes for the Governing Body and Sub-Committees were not clearly defined and ratification of policies and key documents were missed from the minutes. Furthermore the school did not hold signed copies of policies and key documents.</li> <li>• The Governing Body has never been provided with a stock check certificate.</li> <li>• New assets are not always security marked although action to address this had been identified.</li> </ul> <p>All findings and recommendations were agreed with the Head Teacher and reported to the Chair of Governors and the Corporate Director - Children, Schools and Families.</p>	Moderate	Substantial

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Cyril Jackson Primary School	June 2012	<p>The audit was designed to ensure that there were adequate and effective controls over the administration and financial management of the school. Our review confirmed that the school has an established Governing Body and a Finance, Resource and Premises Committee responsible for financial planning and control. Controls were adequate in monitoring of school bank accounts; accounting for income and expenditure; budget monitoring; collecting and recording of income; personnel and payroll management; recording of assets; eligibility of school meals; disaster recovery; risk management and insurance. The main weaknesses were as follows:-</p> <ul style="list-style-type: none"> <li>• The terms of reference for Finance, Resources, Personnel and Premises Committee does not include details of the number of members required to be present and the frequency of meetings.</li> <li>• Purchase order / requisition forms were not always in place. In addition, signed goods received / delivery notes were not always retained.</li> <li>• Petty cash claims forms are not fully completed and signed by the recipient of the cash.</li> <li>• Documentation to support the costing of school journeys, and the agreement by the School Management Team was not retained. In addition, there was no evidence that the cost of the journey had been presented to the Governing Body.</li> <li>• Checks that loaned equipment had been returned prior to the member of staff leaving were not evidenced.</li> <li>• The school fund is not subject to an annual independent audit.</li> <li>• The results of the annual inventory check have not been presented to the Governing Body.</li> </ul> <p>All findings and recommendations were agreed with the Head Teacher and reported to the Chair of Governors and the Corporate Director - Children, Schools and Families.</p>	Moderate	Substantial

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## APPENDIX 2

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Independent School Fees Follow Up Audit	July 2012	<p>This follow up audit assessed the progress made in implementing the recommendations agreed at the conclusion of the original audit finalised in September 2011.</p> <p>Our testing showed that all four priority 2 recommendations had been progressed. Schools had been notified requesting information on a breakdown of the fees relating to each child. All these schools had been written to with regards to the possibility of any available discounts that LBTH can take advantage of. Authorisation for payments to be made was documented on a form from the Special Education Needs (SEN) panel. The authorisation document from the SEN Panel was being provided to the Data and Finance Officer confirming the child in question, the school where the child is to be placed and the fee required. However, in many cases, the Head of Special Educational Needs had not signed the document.</p> <p>All findings and recommendations had been agreed by the Head of Special Education Needs and final report was issued to the Corporate Director, Children, Schools and Families.</p>	Moderate	Substantial



## Summary of Audits Undertaken

## APPENDIX 2

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<p>Apanseth Day Care Provision – Contract Monitoring Follow Up Audit</p>	<p>August 2012</p>	<p>This audit followed up the recommendations made at the conclusion of the original audit in July 2011. The Council currently commissions community based services from Apanseth to provide support to Bangladeshi/Sylheti speaking people in Tower Hamlets with a learning disability.</p> <p>Our review showed that out of 9 priority 2 recommendations we followed up, 3 had been implemented, 4 were in progress/partially implemented and 2 had not been implemented. We understand that recommendations were either not implemented, or in progress of being implemented primarily due to the transformation of the service.</p> <p>A Monitoring Officer has now been identified who is responsible for monitoring the contracts provided by Apasenth. However, the Monitoring guidance still needed to be completed and the respective roles, responsibilities and obligations of the contractor and the Council needed to be clearly identified within n the service agreement/formal contract. The service specification needed to incorporate expected performance management standards and appropriate performance indicators. A departmental risk register needed to be developed and the expected performance standards and indicators needed to be within the scope of the monitoring procedures.</p> <p>All findings and recommendations were agreed with the Service Head Commissioning and Strategy and final report was issued to the Corporate Director, Adults, Health and Wellbeing.</p>	<p>Moderate</p>	<p>Substantial</p>

## Summary of Audits Undertaken

## APPENDIX 2

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
<p>Look Ahead contracts for Aldgate and Campbell Road Hostels – Follow Up Audit</p>	<p>August 2012</p>	<p>This audit assessed the progress made in implementing the agreed recommendations at the conclusion of the original audit in July 2011, which examined the procedures and controls in place for managing the contract relating Look Ahead, Aldgate and Campbell Road supported Housing. As part of the Commissioning Strategy for Supported Housing for young People, the contract was put in place for short supported housing for young people</p> <p>Our review showed that out of the seven priority 2 recommendations, five had been implemented. The Officer's declaration of interest was recorded and reported to the Service Head. The annual service/team plans were reviewed and updated in order to direct resources for the contract management of each service contract. Monitoring procedures had been updated since the full audit.</p> <p>However, the responsibilities for contract management and monitoring needed to be clearly identified within the department's operational procedures. A risk based monitoring system was being used. This ranked the level of risk (using a RAG rating) of each hostel, and scheduled inspections according to the risk status. It was clear from this report that the higher risk areas were receiving more monitoring visits. However, an action plan needed to be developed to mitigate the identified risks.</p> <p>All findings and recommendations were agreed with the Service Head, Commissioning and Strategy, and final report was issued to the Corporate Director, Adults, Health and Wellbeing</p>	<p>Moderate</p>	<p>Substantial</p>