

Internal Audit and Anti-Fraud Progress Report 2023-24

1. Background

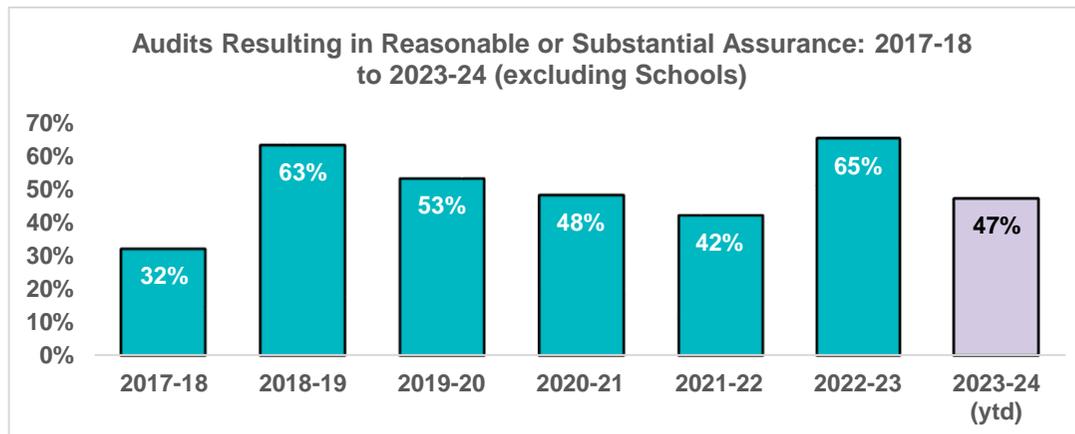
Introduction

- 1.1 This report provides a progress update of the work that Internal Audit has carried out in accordance with its annual plan for 2023-24 which was approved by the Audit Committee at its May 2023 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

2023-24 Deliverables

- 2.1 **Appendix A** contains details of progress against the planned audit engagements agreed in the plan. In the twelve-month period to the end of March 2024:
 - 1 Substantial Assurance opinion has been issued.
 - 13 Reasonable Assurance opinions have been issued
 - 16 Limited Assurance opinions have been issued
 - 0 No Assurance opinions have been issued
- 2.2 The diagram below indicates the trend for assurance opinions, including year-to-date data. This metric will be recalculated and reported in Internal Audit's Annual Report.



- 2.3 **Appendix B** details the Schools audit plan (carried out by the co-source partner, BDO)
- 3 Substantial Assurance opinion has been issued.
 - 10 Reasonable Assurance opinions have been issued
 - 1 Limited Assurance has been issued.
- 2.4 A summary of findings in relation to the Limited Assurance audits finalised during this period is included at **Appendix C**. In addition, summaries of consultancy reviews requested by Management are also included in **Appendix C**.
- 2.5 Overall progress in undertaking and completing the audit plan for 2023-24 has continued as planned. Of the 76 audits in the audit plan, 58 audits are on course to be delivered, 8 audits have been deferred at management request. The remaining 10 audits have not been commenced owing to persistent resourcing issues; the service currently has two vacancies which are being recruited to – an apprentice audit practitioner and a senior auditor.

Appendix A: Details audit results

Audit Title		Directorate	Priority	Opinion	Status
1	Equality Assessment	Corporate	1	Limited	Draft
2	Corporate Governance Improvement Plan – Follow Up	Corporate	1	Advisory	Draft
3	Management of Waivers to Financial Regulations	Corporate	1	Limited	Draft
4	Management and Control of Staff Gifts and Hospitality	Corporate	2	Reasonable	Final
5	Performance Management	Corporate	1		In Progress
6	Scheme of publication (Transparency Code)	Corporate	1	Limited	Final
7	Risk Management	Corporate	1		
8	Management and Control of Market Supplements	Corporate	2	Advisory	Draft
9	Attendance Management	Corporate	1	Limited	Final
10	Data Quality	Corporate	2		Deferred
11	Management & Monitoring of Disclosure & Barring Service Checks	Corporate	1	Limited	Final
12	Signing and Sealing of Documents (including Retention)	Chief Executive's	1	Limited	Final
13	Grants to Voluntary and Community Organisations	Chief Executive's	1	Reasonable	Final
14	Management of Transformation Programme and Projects	Chief Executive's	2		
15	Procurement of Legal Advice	Chief Executive's	2		In Progress
16	Financial Systems - Council Tax	Resources	1	Reasonable	Final
17	Financial Systems - Creditors	Resources	1	Limited	Draft
18	Financial Systems - Debtors	Resources	1		In Progress
19	Financial Systems - General Ledger	Resources	1		In Progress
20	Financial Systems - School Accounts End of Year Reconciliations	Resources	1	Reasonable	Draft
21	Homeless – Arrears Management	Resources/Housing and Regeneration	1	Limited	Draft
22	Pre-payment Cards	Resources	2	Limited	Draft
23	Housing Benefit quality assurance systems	Resources	1	Advisory	Final
24	Registrars Service	Resources	1	Substantial	Final
25	Procurement – Requisition for Quotation (RFQ) system	Resources	1	Limited	Final
26	Business Support SLAs delivery and performance	Resources	2		
27	Free Schools Meals Eligibility	Resources	1		Deferred
28	Management of Members' Enquiries	Resources	2		In Progress
29	IR35 – Off Payroll Engagement	Resources	1		Deferred

Appendix A: Detailed audit results

30	Idea Stores – Regularity Audit	Resources	2	Limited	Draft
31	Virtual infrastructure (IT Audit)	Resources	1	Reasonable	Draft
32	Cyber Security Controls over Supply Chain and Trusted Partners	Resources	1		Deferred
33	Software Licenses - Management and Control	Resources	1		In Progress
34	Management of Video Surveillance systems	Communities	1		Deferred
35	Recruitment and Vetting of Enforcement Officers	Communities	1	Advisory	Final
36	Quality Assurance Board and Framework	Health and Adult Social Care	1		Deferred
37	Management and Monitoring of Fixed Penalty Notices	Communities	2		Planning
38	Domiciliary Care - Procurement Advisory work	Health and Adult Social Care	1	Advisory	In Progress
39	Telecare Service	Health and Adult Social Care	1		Deferred
40	Direct Payments	Health and Adult Social Care	1	Reasonable	Final
41	Contract Monitoring	Health and Adult Social Care	1		
42	Holiday Playschemes	Children’s Services	1		In Progress
43	Supporting Stronger Families Grant Certification	Children’s Services	1	Grant Audit	In Progress
44	SEND Improvement Plan	Children’s Services	1		In Progress
45	King George Field’s Trust – governance	Communities	2		In Progress
46	Education Maintenance Allowances and Bursary Payments	Children’s Services	1	Reasonable	Final
47	Youth Service Insourcing – Advisory	Children’s Services	1		In Progress
48	Commissioning of Sports Activities – Advisory	Communities	1	Advisory	Final
49	Land Searches	Housing and Regeneration	1	Reasonable	Final
50	Passenger Transport Services	Communities	1		In Progress
51	Management and Monitoring of S106 Planning Obligations	Housing and Regeneration	1	Reasonable	Final
52	Property Disposals	Housing and Regeneration	1	Limited	Final
53	Planning and Building Control Fees and Charges	Housing and Regeneration	2		
54	Licensing	Communities	1		In Progress
55	Procurement and Management of Consultants for Capital Works	Housing and Regeneration	1		In Progress
56	THH Insourcing	Housing and Regeneration	1	Advisory	
57	Post Contract Review – New Town Hall	Housing and Regeneration	2		
58	Management of Lettings of Community and Commercial Properties	Housing and Regeneration	1		In Progress
59	Management of Markets – Follow Up	Communities	1		In Progress

Appendix A: Detailed audit results

60	Management of Grants	Housing and Regeneration	2	Advisory	In Progress
61	Penalty Charge Notices – Appeals Procedure	Communities	1	Reasonable	Final
62	Waste Management – Operational Control	Communities	2		Deferred
63	Homelessness Assessments	Housing and Regeneration	1	Limited	Final
64	Management of Houses in Multiple Occupation (HMO)	Communities	1	Advisory	Final
65	Management and Control of Cost-of-Living Payments	Housing and Regeneration	1	Limited	Final
66	Management and Control of Children’s Services Petty Cash Accounts	Children’s Services	1	Limited	Final
67	Eva Armsby Family Centre – Regularity Audit	Children’s Services	1	Limited	Final
68	Pensions Administration – Follow Up audit	Resources		Reasonable	Draft
69	THH Financial Systems – Follow Up audit	Housing and Regeneration		Reasonable	Final
70	THH Company closure and Transfer to LBTH	Housing and Regeneration			In Progress
71	THH Equality Assessments	Housing and Regeneration			**
72	Housing Repairs	Housing and Regeneration			In Progress
73	Contract Audit	Housing and Regeneration			**
74	Management of Overtime	Housing and Regeneration			**
75	Health and Safety at Work	Housing and Regeneration			**
76	Horticulture Service	Housing and Regeneration		Reasonable	Draft

** Originally included within the THH audit plan for 2023-24 – these audits have been merged with the equivalent LBTH audits.

Appendix B: Schools audits results

Schools Audits		Opinion	Status
1	Columbia Primary School	Reasonable	Final
2	St Anne's and Guardian Angels	Reasonable	Final
3	Woolmore Primary School	Reasonable	Final
4	Cayley Primary School	Reasonable	Final
5	Wellington Primary School	Substantial	Final
6	Halley Primary School	Reasonable	Final
7	Langdon Park School	Reasonable	Draft
8	Malmesbury Primary School	Limited	Draft
9	Thomas Buxton Primary School	Reasonable	Final
10	Bonner - Bethnal Green both sites	Substantial	Final
11	Phoenix Primary and Secondary Schools	Reasonable	Final
12	Stephen Hawking School	Substantial	Final
13	Ben Jonson Primary School	Reasonable	Final
14	Olga Primary School	Reasonable	Final

Title	Date of Report	Comments / Findings	Scale of Service
Scheme of Publication	Dec. 2023	<p>This audit sought to provide assurance that the Council has sound and secure arrangements for maintaining the Council’s publication scheme and managing requests for information under the Freedom of Information Act 2010 and the Environmental Information Regulations 2004. The Information Governance service within the Resources Directorate is responsible for the Scheme of Publication.</p> <p>Our key findings and issues from this audit include the following:-</p> <ul style="list-style-type: none"> <p>Roles and responsibilities: There is no guidance or procedure to clarify the roles and responsibilities of the Information Governance team and service directorates regarding the handling of information requests or for maintaining the Council’s publication scheme. There are currently no FOI champions who would have an oversight over the requests relating to their directorate; the Head of Information Governance stated that he would ask directors to nominate suitable officers for this role.</p> <p>Policies and procedures: there were no internal procedures to guide staff on managing, administering, quality checking and approving responses, on conducting internal reviews, or publishing responses on the disclosure log.</p> <p>Publication scheme and disclosure log: The Council’s current arrangements for a publication scheme do not meet basic requirements. No documents or links to documents have actually been posted on the Publication Scheme page, aside from a link to the directorate retention policies (dated April 2018), the Complaints Procedure and a link to the disclosure log. The disclosure log, which is a repository of published responses to requests for information, is not fit for purpose as it is difficult to search for information. We also found that in 50 per cent of cases where a response had been uploaded to the disclosure log, the supporting information in the form of pdf files or spreadsheets which contained the information sought, had not been uploaded, rendering the entry on the log meaningless.</p> <p>Logging and Tracking: audit testing showed that a request for information was not always channelled to the correct service contact. Further, there are often long delays in responding to requests for information. The Information Governance team has tried to improve this by sending weekly and monthly reminders to service directors and task assignees; however, this has not improved engagement on the part of service directorates. An analysis of the 1716 requests that had been submitted in the period May 2022 to May 2023 showed that 1257 had been completed within the target completion date of 20 days; this is a completion rate of 81 per cent. There were a total of 47 requests for an internal review of published responses. Audit</p> 	Extensive

Title	Date of Report	Comments / Findings	Scale of Service
		<p>testing of 10 internal reviews showed 5 had been completed within the target of 20 days. This means the Council's performance has been consistently below the expected standard.</p> <ul style="list-style-type: none"> • Management approval: Audit testing showed that management approval and internal check needs to be strengthened to improve compliance with regulatory and best practice standards. Audit testing of 20 FOI/EIR requests showed that responses were approved by the service manager in 13 cases in the sample of 20. 5 responses had been approved by the Information Governance case worker, and 2 had not been approved at all. As for internal reviews, none of the review responses in our audit sample of 10 had been approved on the system by a senior officer. In 8 cases the review officer had approved their own response, and in 2 cases there was evidence that advice from senior colleagues had been sought prior to sending the review response. • Exemptions and exceptions: In the sample of 20 FOI requests there were 6 cases where an exemption or part exemption had been applied. In 5 cases, the exemption appeared to have been applied correctly. However, in one case (36150377), at least part of the information was already published and could have been signposted to the requester. • Performance management: The Data Protection Officer reports performance statistics to the Strategic Information Governance Board at its meeting. We found that the report simply lists the number of requests which "met the target within deadline" per month and "areas of concern", which was the fact that 78 cases were overdue (in February 2023). The report did not include further commentary or analysis to help the Board members understand the quality of the Information Governance team's performance. <p>All findings and recommendations were agreed with the then Director of Customer Services and the Head of Information Governance. Final report was issued to the Corporate Director of Resources.</p>	
Attendance Management	Dec 2023	<p>The objective of this audit was to provide assurance over the Council's Attendance Management procedures. The Council has an approved Attendance Management policy and procedure in place and as part of this policy the Council is committed to the health, safety and wellbeing of all staff. The Council aims to encourage all its staff to maximise their attendance at work whilst recognising that, from time to time, staff may be unable to come to work due to ill health.</p> <p>The Attendance Management policy aims to ensure that absence is managed in a consistent, supportive and effective way so that operational and service levels are maintained.</p>	Extensive

Title	Date of Report	Comments / Findings	Scale of Service
		<p>For audit testing purposes, we selected a sample of 143 staff sickness records relating to 88 staff across 5 Directorates covering 9 services. covering the period April 2022 to June 2023. We examined supporting documents as required by the Council's procedures for each sickness occurrence to carry out audit testing. The required evidence was provided by all service managers with the exception of two, despite a number of reminders.</p> <p>The following good practices were reported:</p> <ul style="list-style-type: none"> • There are comprehensive Attendance Management Policy and Procedure and guidance notes for managers and staff available on the Bridge. A review of the Attendance Management Policy & Procedure and the Manager's guide was undertaken by HR & OD in August 2023. The policy and procedures are subject to version control. • There is an eLearning session which managers can book direct through the Learning Hub on the Bridge. This course outlines the responsibilities managers have in managing attendance management and in particular sickness absence, the highest cause of absence. It outlines the benefits of managing absence and how to go about dealing with various forms of sickness absence in an effective, supportive and safe way in accordance with our Attendance Management Policy. • A dashboard report is submitted to CLT highlighting the Councils sickness absence performance. <p>We have identified a number of non-compliance issues with the Council's mandatory Attendance Management policy and procedures. The key issues and findings of this audit are primarily related to a lack of compliance at the Directorate level. The following key findings and issues were reported:</p> <ul style="list-style-type: none"> • The Council has an Attendance Management Guidance, Policy and Procedures in place. However, these procedures do not adequately set out the required governance arrangements for monitoring and reporting of sickness levels across Directorates by HR or management. • Our testing showed that there were only 39 instances (27%), where Audit was able to evidence that staff had notified their line manager of sickness absence out of a total number of 143 individual staff sickness records reviewed. In some instances, it appeared that there was no standard local protocol for notification of sickness on the first, fourth and eighth day as required by procedures. In addition, there was no standard procedure for recording the notification of 	

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		<p>sickness which could then be used as a supporting document to enter the sickness absence on HR Self Service by the line manager.</p> <ul style="list-style-type: none"> • We noted that of the 143 Return to Work forms that were required for Audit, we were provided with evidence to show that only 28 (19%) Return to Work forms were completed in HR-SS system. It would, therefore, appear that Return-to-Work forms are not completed or are not being loaded on HR-SS system as required by procedures. Furthermore, there is no HR role as second line of defence, with regards to spot checks and random sample testing to ensure compliance in this area. • Our review showed that the return-to-work process is not operating effectively on HRSS. Of the 108 Return to Work meetings required by procedures, Audit was only able to evidence that 17 (16%) of these meetings had taken place. Therefore, there is the risk that the return-to-work process is being undertaken outside of HRSS by Managers which is not in accordance with the Council's policy and procedures. • It was noted that of 65 informal reviews required by procedures, 51 had been carried out by Line Manager when appropriate trigger point(s) had reached (63.75%). • For absences lasting more than seven calendar days, staff must provide a Fit Note covering them from the 8th day onwards. However, testing showed that 36 Fit Notes were provided out of the 80 Fit Notes required by procedure. Our testing also showed that of the 29 OH referrals required by procedures, we were provided copies of 12 OH reports to evidence a referral had been made. • Our testing showed that the formal review process is not sound and secure as only 20 out of 31 required Stage One - Formal Attendance Reviews were undertaken. Of the 9 Stage Two - Final Attendance Reviews required by procedures, evidence of only 5 Stage 2 Reviews was provided for audit. Furthermore, it was noted that at this stage, procedures specify that the main role of HR is to provide advice, guidance on individual cases and to provide support to mitigate long term sickness. Therefore, HR are not responsible to undertake any case work or carry out random spot checks to confirm compliance with the above procedures. • There is bespoke training being provided by HR to a number of service areas for managers and there is a short eLearning course available to staff on sickness procedures. However, training has not been made mandatory and take-up of training is very poor. The monitoring of training provision needs to be improved. 	

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		All audit findings and recommendations were discussed with the Head of HR and final report was issued to all Corporate Directors and the Chief Executive.	
Review of Requisition For Quotation (RFQ) Procurement System	Jan. 2024	<p>This audit reviewed the arrangements for procuring goods/services and works under £100,000 by means the Request for Quotation (RFQ) system called Proactis, which was implemented in 2016. Procurement owners are required to create and manage all procurement below £100,000 through this IT system administered by Procurement on behalf of the Council. The system allows for procurement projects to be created and for contracts to be awarded on Proactis. This includes uploading of specifications, selecting of suppliers for bid submissions, declaration of interests, inviting suppliers to submit quality and price bids, receiving bids, undertaking evaluation of bids, final selection of the successful bidder, approval etc.</p> <p>Using the Proactis IT system to exercise the RFQ process provides a disciplined and controlled approach to procurement below £100K, but the responsibility to use the RFQ procedure correctly rest with Directorate officers. The current Contract and Procurement Rules and Procedures state that Corporate Directors have responsibility for all contracts tendered, let and managed by their departments, including ensuring that procurement procedures are complied with.</p> <p>The thresholds which are based on price and quality are as follows:-</p> <ul style="list-style-type: none"> • Up to £25,000 - 1 quotation, through RFQ system (based on cost only or cost and quality), • £25,001 to £50,000 - 2 quotations, through RFQ system (based on cost only or cost and quality) and, • £50,001 to £100,000 - 3 quotations, through RFQ system based (based cost and quality only). <p>For procurements valued above £100,000, a full tender process is required through the Corporate Procurement Service.</p> <p>During the audit we identified areas of good practice which includes the following:</p> <ul style="list-style-type: none"> • Comprehensive RFQ policy, procedures and guidance notes are available on staff intranet. • The Contract & Procurement Procedures are incorporated in Council's Constitution (ref. Part C: Codes & Protocols). In addition to budget holders' approval, purchase orders valued over £25,000 are also checked and approved by Procurement in Agresso workflow to ensure that the RFQ procedures have been complied with. <p>The key findings and issues from this audit are listed below:-</p>	Extensive

Title	Date of Report	Comments / Findings	Scale of Service
		<ul style="list-style-type: none"> • The RFQ policy and procedures have not been updated since 2017 and 2020 and contain a number of links to key Council information such as the live list of LBTH contracts held in Proactis, which are not able to be accessed. • Currently, there is a lack of transparency in the RFQ procurement system as not all contract documents, supporting the RFQ, had been uploaded onto the RFQ system. Documents such as specification, quotation(s), officers' evaluation (quality and cost), pricing schedules, number of suppliers invited to bid and number of bids received, the number of officers undertaking evaluation, RFQ Contract Award Instruction form (for RFQs over £25k) and DOI information and insurances. Therefore, these arrangements are not fully auditable. Only in 2 out of the 15 RFQs tested, full audit trail was in place within Proactis and outside (with officers) regarding clear specification, approval, DOI, evaluation, contract award etc. • Our testing showed that the RFQ users list is not being regularly reviewed and updated by Procurement. From the users list (as of 11/07/2023) there were 905 users listed, of which 449 were active (49.61 %) and 456 (50.38%) were inactive. A cursory check made by Audit identified 23 user accounts belonging to officers who no longer work for the authority, 12 of which were shown as active. This included a number of Procurement staff as well as the former Head of Procurement, who left the authority in September 2020. This shows that systems Administrators (Procurement team) have not been providing effective administrative support to the Proactis system. • This is concern around high level of non-compliant procurement across the Council where retrospective RFQs were being put on the system in breach of Council procedures. This can be due to poor procurement planning and highlights that RFQs were being raised for services/supplies already commissioned but were then put on RFQ system for Purchase Orders to be raised and approved. Only 108 (10.77%) RFQs were recorded as being completed and 832 (83.03%) shown as still active on Proactis. This shows poor oversight, maintenance and housekeeping of the Proactis system by systems Administrators. • For the audit sample of 15 RFQs tested in detail, there were two instances where the RFQs were created just 3 working days prior to the date of invoice. This practice may indicate that RFQs were created after the services/works were commissioned from suppliers, which is a breach of the Council's procurement procedures. 	

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		<ul style="list-style-type: none"> • In one case, the winning price quotation submitted was £104,167 and therefore, exceeded the £100k threshold for RFQ. The original budget for the works was set at £99,000 in order to justify procurement through RFQ and not do a full tender. However, the contract evaluation showed four bids were received with costs ranging from £104k to £242k. The contract award instruction (for RFQ contracts above £25,000) was in the amount of £104,167.18. The final costs for the works were £111,150.10. • We noted that the Procurement team have not identified issues of non-compliance by Directorates and reported these issues to Directors and Corporate Directors who are responsible for ensuring compliance with Procurement procedures. • With regards to the Agresso Finance system, Audit was advised that incidences of actual payments exceeding the RFQ threshold (£100,001) cannot be identified through exception reporting, as although Agresso has the facility to have a contract/E-RFQ number, this requires interfaces between Proactis and Agresso Therefore, instances of RFQs created on Proactis, where actual spend is over £100,001 cannot be reported and escalated to DLTs and CLT. • There were 14 suppliers that were awarded between 2 to 41 contracts through the RFQ process. In total there were 215 such contracts. The total contract value per supplier ranged from £113,413 to £806,051. The total value of these RFQs was £3.9m, which represents 26.17% of the total value of all RFQs issued in 2022/23 (circa £14.9m). The awarding of repetitive contracts to a few contractors may increase the risk of non-compliant practice potentially leading to fraud, irregularities and corruption. • There was evidence of disaggregation being applied in order to meet the RFQ thresholds and not to open the contract to full competitive tendering process. For example, in one case, the Window Renewal works were subject to 3 separate RFQs, but the overall value of works was in excess of £100k. • Council expenditure is analysed on a quarterly basis to identify the extent of expenditure incurred for which there is no contract. However, the Strategic Procurement Board (who has responsibility for procurement oversight and scrutiny) has not met for a number of months and hence there is no scrutiny and oversight control currently in place. As a consequence, Directorates accountability for off contract spend is not being scrutinised and challenged. • With regards to supplier adoption and registration, we were not able to fully evidence that the due diligence checks were carried out by Procurement. Therefore, there is the risk that 	

Title	Date of Report	Comments / Findings	Scale of Service
		<p>suppliers have not undergone the full RFQ registration process and may not have the required checks such as insurances.</p> <p>All findings and recommendations were agreed with the Head of Procurement and Interim Director of Finance, Procurement and Audit. The final report was issued to all Corporate Directors.</p>	

Audit Summaries for Consultancy Reviews

Title	Date of Report	Comments / Findings	Scale of Service
Housing Benefit Quality Assurance	Feb 2024	<p>This was a consultancy review of arrangements in place for quality assuring Housing Benefit processes. The review was requested by the previous Head of Revenue and Benefits.</p> <p>The key findings and issues from this review include the following:</p> <ul style="list-style-type: none"> • Policy and procedures - clear procedures needed to be established to guide and direct staff responsible for quality assurance. We understand that the team responsible for discretionary housing payments and appeals has been merged with the Quality Assurance team, and as responsibilities for the various functions have not been clearly defined, the team tend to focus on the discretionary housing payments and appeals that need to be processed, at the expense of quality assurance work. We, therefore recommended that a quality checking regime be put in place with the objective of providing assurance on the integrity and security of benefit processes; quality of work; provision of staff training and development; identification of process weaknesses; and support continuous improvement • Performance monitoring - there is currently no performance monitoring of the quality assurance function. In order to address this, we have recommended that Key performance indicators should be identified and performance against these indicators should be regularly reported. <p>All findings and recommendations were agreed with the Head of Revenues and Benefit and final report was issued to the Corporate Director of Resources.</p>	Extensive
Pre-employment Checks for THEOs	Feb 2024	<p>This consultancy review was requested by the Director of Community Safety. The service currently has 25 in-house THEO's and 6 THEO Team Leaders. The Mayor announced a recruitment drive to employ 40 more Tower Hamlets Enforcement Officer (THEO) roles, to help the police tackle crime and anti-social behaviour and support residents with any safety concerns. THEOs have police powers under section 50 of the Police Reform Act to obtain a person's details and to tackle anti-social behaviour, drugs, and violence. They also work with agencies within the borough to help anyone who needs support, such as people who are struggling with substance misuse and those who are sleeping rough.</p>	Extensive

Title	Date of Report	Comments / Findings	Scale of Service
		<p>As part of LBTH recruitment process, pre-recruitment checks are required before THEOs are on-boarded. These checks include 2 satisfactory references, DBS clearance, Right to Work checks, Medical check and Level 2 Non-Police Personal Vetting and Counter Terrorism Checks checks(NPPV/CTC).</p> <p>During the audit we identified areas of good practice which include the following:</p> <ul style="list-style-type: none"> • Job Descriptions for the post of THEOs and THEO Team Leaders, specify the requirement for the post holder to have Non-Police Personnel Vetting and Counter Terrorist Checks (NPPV/CTC). • The Safer Communities Manager and the Neighbourhood Manager along with 2 other staff members share an excel document with the Metropolitan Police which holds information regarding the NPPV level 2 and CTC vetting of all THEO staff. This spreadsheet includes reference numbers of the check, expiry dates and a RAG rating to show the date of the next renewal of the check for each member of the enforcement team. • Procedures were in place for THEOs namely, Standard Operating Procedures and Protocols for Tower Hamlets Enforcement Officers. This document was last updated in July 2022 and contains key information including vetting information. In addition, there is a requirement for officers to report to the Head of Service immediately if they are arrested, charged or summonsed to appear in court for criminal offence. <p>Key findings and issues from this audit include the following:-</p> <ul style="list-style-type: none"> • Audit was provided with several different documents relating to the Recruitment and Vetting of THEOs. We confirmed that the job descriptions (JDs) for all staff working in the Enforcement service require NPPV/CTC checks and an Enhanced DBS. However, the Council's Disclosure and Barring Service (DBS) Procedure dated 2020, states that Civil enforcement officers require a standard DBS check. Therefore, there seems to be inconsistency between the Council's DBS procedures and what is required on the JDs for THEOs. We have recommended that the Enhanced DBS requirements for the staff in the Enforcement team should be clarified with Human Resources. 	

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		<ul style="list-style-type: none"> • Audit testing of pre-recruitment and vetting of all 31 staff showed that evidence within the Council's HR system of two written references, Right to Work checks, Confirmation of Appointments and Enhanced DBS checks was not always clear. • Our testing to ensure that all THEOs (including managerial posts) have received the proper NPPV and CTC checks showed that the service had a record of these checks. However, none of the NPPV and CTC clearances were filed on HR Resource Link system. Therefore, the Council's HR system has no record of these clearances. It would appear that HR service may not be aware to keep a record of these checks. We have, therefore, recommended that the Head of Community Safety should inform the Head of HR to ensure that the NPPV and CTC clearances are recorded within personal files of THEOs on the HR RL system. • Additionally, during our testing of NPPV/CTC we noted that in one case NPPV and CTC clearance was awaited despite the application being submitted to Metropolitan Police some 8 months ago. We noted that Management may not have been aware of this situation, although we found that this Officer has already commenced their role with LBTH without the required clearance in place. However, we were not clear as to whether appropriate authority or some form of Waiver (similar to DBS) was required to be obtained from the Director of Community Safety for these employees to start. A written Waiver should provide authority for THEOs to start employment including the controls to be put in place to ensure that they are supervised at all times. • We tested a sample of 6 THEOs' Employment Contracts to see whether the Terms and Conditions of Employment contained any provision regarding the condition to obtain NPPV and CTC clearance. We found that of the 6 contracts we examined, in 2 cases, the Terms and Conditions of the Employment Contracts included "Specific conditions of employment" which required the THEO to pass and maintain NPPV and CTC clearance throughout their employment and that failure to do this will result in termination of employment. However, in the remaining 4 cases, the THEOs did not have this specific condition in their contract of employment. It would therefore, appear that the THEOs' employment contracts issued by HR have not been standardised and do not contain the required specific condition for passing and maintaining the NPPV and CTC clearance. <p>All findings and recommendations were agreed with the Head of Community Safety and final report was issued to the Director of Community Safety and Corporate Director of Communities.</p>	

Title	Date of Report	Comments / Findings	Scale of Service
Housing in Multiple Occupation (HMO)	Feb 2024	<p>This audit was commissioned by the Chief Executive at the request of the Mayor. The purpose was to review the governance, systems and internal control processes regarding the engagement, monitoring and enforcement of regulations and occupancy of houses in multiple occupation (HMO) properties.</p> <p>The following Good Practices were identified.:-</p> <p>Policies and Procedures: We reviewed 23 procedure documents relating to the management and monitoring of Homes in Multiple Occupancy (HMOs) and found they clearly defined roles and responsibilities and were easily accessible to staff on the M drive.</p> <p>Survey Results: We surveyed all 27 members of staff within the Health and Housing Team, which administers the HMO Licensing schemes and received responses from 19. The 19 responses confirmed that they understood and felt confident in performing their role and either held qualifications relevant to their role or were qualified through relevant experience.</p> <p>Civica System: The Council uses the Civica system to register licences and record inspections, service requests and enforcement action. For each process, officers can download a template which prompts the checks which officers should carry out and information that should be requested.</p> <p>The following Key Findings, Issues and Risks were highlighted in the audit report:-</p> <p>Policies and Procedures: There was no evidence that the majority of procedures in place have been recently reviewed, they do not contain upcoming dates of review or detail the document owner. Furthermore 3/19 respondents from our survey responded that they had not read the policies and procedures relevant to their role.</p> <p>Training: Principal Officers stated all new staff are provided with HMO training when they commence employment. However, the Service does not maintain training records to show which officers have received what HMO training and when, to ensure 100% coverage and that officer knowledge remains up to date. Although staff surveyed stated that they had received some form of training, which included the Council's corporate training.</p> <p>HMO Licensing: We tested 21 licence applications to confirm that documentation supported decisions taken. We identified seven exceptions. In five cases officers could not explain or confirm that the correct inspection priority had been assigned, for one an inspection priority was not assigned in the Civica system and for one application supporting evidence was missing.</p>	Extensive

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		<p>Property Inspection Regime: We tested 23 inspections to confirm they were conducted in line with procedures and to ensure any remedial actions identified are followed up. We found five where identified remedial works were not followed through to confirm the work was complete and a further two where additional actions were required by officers but not completed.</p> <p>Concerns and Complaints: We tested 22 service requests to confirm they were investigated in line with procedures, dealt with in a timely manner and actions were fully documented including resolution. We identified 12 exceptions including cases not being dealt with promptly, cases being left open without resolution or not being dealt with, and one case being allocated a reference which is not monitored by the Environmental Health Officers.</p> <p>Enforcement Regime: We tested 20 instances of enforcement action to confirm the correct Council process was followed. We found eight exceptions, including cases being left open when they should have been closed and action not being taken for several months, which highlights the need for greater oversight of cases.</p> <p>Resourcing: The Service employs a high percentage (44%) of agency staff resulting in a lack of continuity or accountability of cases.</p> <p>All findings and recommendations were discussed and agreed with management in October 2023, and the final report was issued to the Chief Executive, Corporate Director of Communities and Corporate Director of Resources in February 2024.</p>	
Commissioning of Protected Hours for Sports and Physical Activities	March 2024	<p>This audit reviewed the arrangements for commissioning protected hours for Sports and Physical Activities (SPA). Protected hours are free of charge hours to sports clubs and similar providers at the Council's sports centres. The review was requested by the previous Director of Commissioning and Culture. The leisure management contract, from inception in 2004, provided free leisure centre time for use by the Council's Sports Development for its various activities. Hours were also allocated for inter-borough, school competitions and leagues and elite sport associated with the London Youth Games programme. Protected hours were also allocated for healthy lifestyles activities.</p> <p>Service provision has changed over time and it became clear that the Council could not directly deliver activity for all the hours allocated within the contract. SPA therefore, worked in partnership with delivery partners in the sports / health and third sectors to augment sports provision within the borough to meet the Council's / Sports Development Team's key objectives. Prior to 2012 and after the London 2012 Olympic and Paralympic Games, hours were allocated to develop an Olympic Legacy for Tower Hamlets. This was subsequently superseded by The Physical Activity & Sports Strategy.</p>	

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		<p>There is currently no formal commissioning, or application process. In the current year, 5091 protected hours have been allocated to various sports activities at Council sports centres, 838 of which are delivered directly by officers within the Sports and Physical Activity service. The notional cost of this provision for 2023/24 was £93,000 p.a.</p> <p>We noted that the way “protected” hours have been allocated to sports clubs and other organisations has evolved over the years and has been quite informal . Very few records have been made available to Audit. We have, therefore, based our report and recommendations on the assumption that where records have not been made available, they may not exist or cannot be located. Our key findings and issues from this audit include the following:</p> <ul style="list-style-type: none"> • Needs assessment and strategy; There is a Physical Activity and Sports Strategy 2020 - 2024 in place, which was written in 2020. It is not clear whether the strategy was based on a Needs Assessment to identify the current need for sport and physical activities to ensure that residents service needs and priorities are captured. However, both the strategy and any Needs Assessment that may have been undertaken needs to be refreshed. We have, therefore recommended that a comprehensive audit and Needs Assessment of existing provision of all types of sport and recreational facilities, including the quality of supply and their condition, should be carried out. • Options appraisal and Business Plan : As the Council is preparing to in-source leisure services, there is an opportunity and a need to carry out option appraisal and review the concept of providing free hours to local sports clubs and organisations. We have been advised that in the meantime, “protected “ (free hours) will be rolled over into 2024/25 and that subsequently the existing arrangements will be option appraised and reviewed. A business plan is being drawn up which will consider costs, pricing policy and available budgets. • Specifications and safeguarding requirements: Aside from the purpose and objectives of providing protected hours stated in the annual report 2018-19, detailed specifications for sports clubs and other organisations which have been allocated free hours have not been drawn up. • Governance and Selection Criteria It appears that there is no clearly written down process governing the criteria for awarding sports clubs and other partners with free hours at the Council’s sports centres. The assessment and selection process was informal and not documented. We have therefore recommended that a strong governance structure and decision-making process for granting of protected hours and implement a commissioning 	

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		<p>approach for seeking bids and having clear and transparent selection criteria for the use of protected hours to demonstrate good governance in this area.</p> <ul style="list-style-type: none"> Performance management and reporting: any performance monitoring and reporting carried out has either not been documented or not made available to Audit. We have therefore, recommended that there should be a robust performance management system in place to monitor and manage the performance of any providers “commissioned” to provide clearly specified sporting activities . Providers should be required to report performance in accordance with outcomes based key indicators, set out in the service level agreement. There should be a system for quality assurance, which involves visiting providers, to ensure that sporting activities are delivered to the standard and quality specified. Performance should be reported to senior management on a regular basis, to aid their decision making. <p>All findings, issues and recommendations were agreed with the Head of Leisure Operations and final report was issued to the Corporate Director of Communities.</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
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