



Havering
LONDON BOROUGH

AUDIT COMMITTEE 27 JULY 2023

Subject Heading:

Head of Assurance Annual Report and
2022/23 Internal Audit Plan Outturn

SLT Lead:

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Policy context:

To present a summary of the outcomes of
Internal Audit and Counter Fraud work
completed during 2022/23 and the Head
of Assurance's annual opinion.

Financial summary:

There are no financial implications or risks
arising directly from this report which is for
information only.

**The subject matter of this report deals with the following Council
Objectives**

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

SUMMARY

This report brings together all aspects of audit, assurance and counter fraud work undertaken in the 2022/23 financial year, including actions taken by management in response to audit and counter fraud activity, which supports the governance framework of the authority. The report includes the Head of Assurance opinion on the internal control environment for 2022/23.

RECOMMENDATIONS

Members are asked to consider the Assurance End of Year Report 2022/23 incorporating Head of Assurance Opinion and to make any appropriate recommendations.

REPORT DETAIL

Introduction

The Accounts and Audit Regulations require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards (PSIAS) and other guidance.

Internal audit is a key component of corporate governance within the Council. The three lines of defence model, as detailed below, provides a framework for understanding the role of internal audit in the overall risk management and internal control processes of an organisation:

- First line – operational management controls
- Second line – monitoring controls, e.g. the policy or system owner/sponsor
- Third line – independent assurance.

The Council's third line of defence includes internal audit, which should provide independent assurance to senior management and the Audit Committee on how effectively the first and second lines of defence have been operating.

An independent internal audit function will, through its risk-based approach to work, provide assurance to the Council's Audit Committee and senior management on the higher risk and more complex areas of the Council's business, allowing management to focus on providing coverage of routine operations.

The work of internal audit is critical to the evaluation of the Council's overall assessment of its governance, risk management and internal control systems, and forms the basis of the annual opinion provided by the Head of Assurance which contributes to the Annual Governance Statement. It can also perform a consultancy role to assist in identifying improvements to the organisation's practices.

This report summarises the outcomes of audit and counter fraud work undertaken during 2022/23 in support of the Audit Committee's role.

Assurance End of Year Report 2022/23 incorporating Head of Assurance Opinion

1 Head of Assurance Annual Opinion

- 1.1 In accordance with the Public Sector Internal Audit Standards (PSIAS), the Head of Internal Audit (Head of Assurance) is required to provide an annual opinion to the Audit Committee, based upon and limited to the work performed by Internal Audit on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. This is achieved through an audit plan that is focused on key strategic and operational risk areas, agreed with senior management and approved by the Audit Committee. The Head of Assurance opinion does not imply that internal audit has reviewed all risks and assurances relating to the organisation. The opinion is substantially derived from the conduct of risk-based audit work formulated around a selection of key systems and risks.
- 1.2 In line with best practice, Internal Audit prepares, in consultation with senior management, an annual risk based strategic plan. The audit plan is, if necessary, amended during the year to reflect changes within the Council's risk profile.
- 1.3 From the work undertaken during the 2022/23 year, reasonable assurance can be provided that there is generally a sound system of internal control across the Council. This opinion is broadly consistent with the 2021/22 view. However, it should be noted that the reasonable assurance opinion provided this year contains one significant issue, as detailed below:
- Procurement and contract management continues to be an area of ongoing risk, particularly with the challenging financial position the Council faces.

Furthermore, this opinion takes into account the increase in ICT related risks added to the Strategic Risk Register during 2022/23. Whilst the majority of these remain at a 'high' risk, they are being monitored and reviewed through the Council's risk management process.

The Internal Audit Plan will continue to focus on these areas to provide assurance to the Audit Committee.

- 1.4 The basis for this opinion is derived from an assessment of the range of individual opinions arising from assignments, contained within the Internal Audit risk based plan, that have been undertaken throughout the year. This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses.

1.5 The table below provides a summary of Audit Opinions issued in 2022/23. It should be noted that some of the work undertaken by Internal Audit does not result in an opinion being provided, such as advisory reviews and grant claims.

Audit Category	No Opinion	Reasonable	Limited
LBH Systems Audits	12	9	7
LBH Schools Audits	0	3	0
Academies	0	2	0
Total	12	14	7

1.6 The table below provides the definitions of the assurance levels provided by internal audit:

Key to Assurance Levels	
Reasonable Assurance	The control framework is adequate to manage the risks in the areas reviewed. Controls are applied consistently or with minor lapses that do not result in significant risks to the achievement of system objectives.
Limited Assurance	There are fundamental weaknesses in the internal control environment within the areas reviewed, and further action is required to manage risks to an acceptable level.

2 Outturn of 2022/23 Internal Audit Plan

- 2.1 The Annual Audit Plan was approved by the Audit Committee in April 2022. The plan was developed using a thematic approach, in line with the Corporate Plan priorities for 2022/23, with time allocated under each theme to carry out risk identification and process mapping, where required. Members are reminded that the 2022/23 audit plan was presented as a flexible plan, subject to review through the year to ensure that emerging risks are covered. Adjustments to the plan are made to allow for changes in the risk and operational environment in which the Council operates. Where changes are made they are outlined in the table in section 9.
- 2.2 The table below details the results of the final reports issued / reviews completed, relating to the 2022/23 Internal Audit Plan, since the last progress report presented to Members in April 2023:

Report	Assurance	Recommendations			
		High	Med	Advisory	Total
System Audits					
Housing – Compliance*	Reasonable	0	3	1	4
Contract Management – Environment (Phase 2)	Completed	n/a	n/a	n/a	n/a
Procurement – Traded Services	Completed	n/a	n/a	n/a	n/a
System Audits Total					

*This audit is a follow up of a review carried out in 2021/22 by Mazars. The recommendations in the table are those that remain to be fully implemented from this initial review and are not additional recommendations made as a result of the follow up.

3 Audit Recommendations Update

- 3.1 Internal Audit follows up all audit recommendations with management when the deadlines for implementation are due. There is a rolling programme of follow up work, with each auditor taking responsibility for tracking the implementation of recommendations made in their audit reports. The implementation of audit recommendations, in systems where limited assurance was provided, is verified through a follow up audit review.
- 3.2 This work is of high importance given that the Council's risk exposure remains unchanged if management fail to implement the recommendations raised in respect of areas of control weakness. A key element of the Audit Committee's role is to monitor the extent to which recommendations are implemented as agreed and within a reasonable timescale, with particular focus applied to any high risk recommendations.
- 3.3 Recommendations are classified into three potential categories according to the significance of the risk arising from the control weakness identified. The three categories comprise:

High:	Fundamental control requirement needing implementation as soon as possible.
Medium:	Important control that should be implemented.
Low:	Advisories - Pertaining to best practice.

- 3.4 The status of all recommendations raised during 2022/23 is outlined within the table below:

Systems Audits				
Number of Recommendations	High	Med	Advisory	Total
Recommendations raised since the last progress report	0	3	1	4
Total Recommendations Raised during 2022/23	15	16	11	42

School Audits (including Academies)				
Number of Recommendations	High	Med	Advisory	Total
Recommendations raised since the last progress report	0	0	0	0
Total Recommendations Raised during 2022/23	0	10	1	11

- 3.5 The details of the high risk recommendations were provided to Members in each of the progress reports provided at the previous Audit Committee meetings.
- 3.6 The table below provides details of all recommendations raised for systems audits during 2022/23:

Priority	Recommendation	Status
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Contract Management (G4S)		
High	Action should be taken to address the expired corporate contract with G4S.	Implemented
Medium	The Accounts Payable Team should work, in liaison with the Strategic Procurement Unit to agree how services using G4S raise purchase orders in advance of service and without an invoice. All respective services / officers should be provided with appropriate guidance and training in this matter.	Implemented
High	The Strategic Procurement Unit should ensure that adequate contact details are held for G4S and that all officers within the Council, using G4S services have up to date / accurate contact information for necessary individuals within G4S and the Strategic Procurement Unit to report any contract / service related issues.	Implemented
High	The Strategic Procurement Unit should lead on the Council's engagement with G4S to resolve the issues regarding the perceived non-payment of invoices and the suspension of services. This should include ensuring that all parties within the Council and G4S are aware of the correct process to follow, including any applicable exemptions.	Implemented
Direct Payments		
Medium	A temporary period of monitoring should be undertaken to assess the number of errors. This should then lead to a decision as to whether there is a significant risk and action to be taken to mitigate this. Monitoring should continue until a pattern or trend can be seen, and re-introduced if error rates start to increase	Implemented
Medium	Information for clients opting to employ their own carers/PAs should be more comprehensive to ensure clients meet all requirements, and therefore reduce the time taken to address problems.	Not Due Due Date: September 2023
Advisory	It is advisable that the Service consider alternative options to help support clients, such as using third party charities that clients could be signposted to. In addition, a payroll provider could be commissioned who would deliver a service required and be offered to clients when they are making their payroll provider choices. These options should be considered in consultation with both Procurement and Legal Services.	Advisory
Advisory	It is advisable that the service look at ways of reducing the number of audits that need to be carried out during the year.	Advisory

Medium	The results of error monitoring should be fed back to the panel / meeting between Direct Payments and Social Care. Training issues should be addressed if it is found errors are consistently being made by the same person / social worker, and included as part of their performance review.	Implemented
Medium	To ensure the 35 day target for setting up of a Direct Payment is met, a manual way to monitor and report the process should be undertaken until the issues surrounding the development of the Power BI Dashboard are resolved, and the target is monitored in this way.	Not Due Due Date: September 2023
DPIA Compliance – CCTV		
High	Collate and maintain a central record of CCTV currently in place across the organisation. This should include establishing a network of key contacts across all relevant areas in order to work collaboratively and provide clear lines of communication. Where this process identifies CCTV not supported by a DPIA action should be taken to address this immediately.	Original Due Date: June 2023 – extended to October 2023 In Progress
High	Produce and publish guidance to make Council staff aware of their responsibility in terms of complying relevant legislative requirements (GDPR). This should include clear signposting on the intranet to ensure that officers procuring new CCTV / applicable equipment not only have access of guidance, but are aware of the need to engage with the SPOC in order to update the central records.	Original Due Date: June 2023 – extended to October 2023 In Progress
High	SLT should be suitably informed of the risks arising from this report and the Council's exposure in this area. A decision should then be made by SLT to agree where overarching responsibility for Council wide use of CCTV should sit, to provide services with CCTV with a Single Point of Contact (SPOC).	Original Due Date: June 2023 – extended to October 2023 In Progress

Parking Income		
Advisory	<p>Management should make a decision, in light of the findings within the report, as to what, if any, action will be taken to determine the cause of the variances.</p> <p>Consideration should be given to the cost effectiveness of investigating the variances alongside the expected timeline for replacing the current machines with cashless meters.</p>	Advisory
Pro-Active Data Matching (AP and Payroll)		
Advisory	Management should consider if current processes to locate individuals effectively utilise existing information held internally within the Council, before instructing external tracing agencies and incurring these additional, potentially avoidable, costs. This could include utilising the Council's Data Warehouse resources.	Advisory
Advisory	Management should consider whether there are any potential risks arising from the finding regarding the accuracy supplier data.	Advisory
Project & Programme Governance		
Medium	<p>Existing guidance, including the Project Board Terms of Reference template should be amended to reflect that Finance should be part of the project board attendees to ensure that the project costs / budget are being regularly reported and finance are there to provide scrutiny and highlight any potential financial risks to the project budget arising from new emerging risks / slippages in project completion etc.</p> <p>Guidance should also clearly set out expectations regarding the alternative arrangements for storing documentation outside of Verto (based on outcome of Recommendation 1).</p>	Implemented
Medium	Skills audit of those designated to manage projects should be undertaken to assess training needs and identify skills gaps.	Due Date: September 2023
High	<p>SLT took the decision to adopt the use of Verto as its single PMO monitoring and reporting system.</p> <p>In order to address the non-compliance issues arising from this report, SLT should make the following decisions:</p> <ul style="list-style-type: none"> • To decide at what point the non-compliance culture will have a consequence / the level of non-compliance SLT are willing to tolerate. • To formally delegate responsibility for monitoring and reporting of non-compliance to an independent team (ideally PMO). • To decide on the future scope of the PMO role and ensure it is adequately resourced to deliver on expectations. 	Due Date: July 2023

Property Buy-Back		
Advisory	A full and accurate record of all properties sold under Right to Buy should be maintained, with a view to also rectifying historic errors in data, allowing for future reviews and data matching exercises to be undertaken which may strengthen the control environment.	Advisory
Medium	The use of an online approval system, within the property purchase process, should be formally investigated to determine whether there is scope to improve efficiency against the current email process for approvals.	Underway Due Date: August 2023
PSL Follow Up		
Advisory	Management are advised to ensure that all teams are aware of the division of responsibilities related to the process of updating / maintaining the compliance information within Key Stone, from initial engagement of the landlord through to addressing non-compliant landlords. These responsibilities should be clearly documented and communicated / distributed to all relevant Housing teams.	Advisory
Medium	The Procurement procedures should be amended to ensure the control process for checks is fully documented and to provide clarity as to when checks should be applied.	Due Date: July 2023
Advisory	The Service are advised to ensure that the issues identified as part of this recommendation are adequately reflected in the Housing Directorate Risk Register.	Advisory
SEND Transport		
High	An SLA between PTS and CAD is agreed by all parties and finalised. This should include measurable outcomes that are regularly monitored for compliance, reviewed and updated to ensure it continues to be fit for purpose.	Implemented
High	CAD Management should seek assurance from all relevant departments involved to ensure that all appropriate due diligence has been undertaken on the companies currently transporting service users, particularly with regard to the requirement for relevant Health and Safety training and DBS checks. These checks should occur regularly to take into account new drivers.	Implemented
Medium	Implement a programme to actively promote the option of fuel reimbursement to parents as alternative travel provision.	Implemented

Advisory	Management should consider the benefits of implementing a temporary secondary approval at an appropriate senior level for the transport provided to the child/ young person; particularly for the provision of a taxi, as this is generally the least cost effective method of travel.	Advisory
Advisory	Management should consider whether to include an annual review of the transport provision for each child/ young person, alongside the EHCP annual review process. This would help to determine: <ul style="list-style-type: none"> • Whether the travel provisions in place for each child / young person are the best options to meet their individual needs; • Whether the needs of the child / young person have changed; and • Any potential benefits to the child / young person progressing to more independent methods of travel is possible. 	Advisory
Medium	Management should review the Post-16 provision in the current Transport Policy.	Implemented
Medium	Service to seek additional or alternative providers for travel training with a view to expanding the current capacity.	Implemented
High	TfL are contacted, formally and in writing, to confirm that the taxi companies in use all have current TFL Private Hire Operator Licenses.	Implemented
Medium	The benchmarking exercise that was underway in early 2022 should be resumed to ensure that the Council are obtaining comparative data to assess the current position with regard to service demand and costs.	Implemented
High	The budget should be reviewed and realigned if necessary to reflect the service demands.	Implemented
Service Charges		
High	In order to ensure that the charges and calculations in relations to grounds maintenance are correct, work should be undertaken to ensure that the Council has an accurate record of the current grounds maintenance requirements for Housing.	Due Date: October 2023
High	Management to consider the risk impacts of this increasingly failing CCTV service.	Implemented
High	Review of the Schedule of Rates in relation to grounds maintenance services to ensure that the cost of service delivery is an accurate reflection of the costs passed on the tenants/ leaseholders.	Due Date: October 2023

High	The Grounds Maintenance Services SLA between Housing and Public Realm should be annually reviewed, updated and formally agreed by both services.	Implemented
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4 Schools Programme

- 4.1 There are currently 42 borough maintained schools within Havering. Of these, 27 schools will have received a triennial audit between the financial years 2020/21 – 2022/23. The remaining 15 maintained schools were assessed on the assurance given at their last triennial audit and considered to be low risk; therefore a triennial audit was not delivered as part of the three year rolling programme. These schools have received at least one health check since their last triennial visit, and 12 are scheduled to be reviewed as part of the 2023/24 audit plan.
- 4.2 In addition to assessing the implementation of recommendations raised following the previous audit, the Health Check also reviews the perceived high risk areas, including those common themes noted in paragraph 5.4 below.
- 4.3 Assurance opinions are given for each school report. Currently, the schools who were due to be audited in 2022/23 have received their Triennial audit, with all receiving Reasonable Assurance.
- 4.4 Recommendations raised during the 2022/23 audits identified some common themes across multiple schools:
- Orders should be raised on the finance system before the invoice is received;
 - Only authorised users should have access to the FMS Finance system ; and
 - Financial thresholds in the Finance Policy should be reviewed and updated.
- 4.5 During 2022/23, the service delivered seven Health Checks, generating total revenue in year of £6,713. To date, 13 schools have purchased Health Checks for 2023/24.
- 4.6 The Schools Financial Value Standard (SFVS) is designed to assist schools in managing their finances and to give assurance that they have secure financial management in place. As Governing bodies have formal responsibility for the financial management of their schools, the standard is aimed primarily at governors. The SFVS returns are used to inform the risk based internal audit programme. All schools within Havering completed and submitted their copies of the SFVS to the LA within the agreed timescales.

5 Counter Fraud

- 5.1 **Corporate Fraud** - The Council has a zero tolerance approach to fraud and the work of the Fraud Team supports this priority. The team offers both a criminal, proactive and reactive support service. The team have looked into 19 cases this financial year, including current investigations, into allegations of theft, procurement/contractor fraud and employee/consultant working practices.
- 5.2 **Housing Fraud** - The Council take a zero tolerance approach to tenancy fraud and have 68 open investigations. The team will investigate all allegations of tenancy fraud and take action where we have sufficient evidence that fraud has taken place. This action can include a criminal prosecution and/or a claim for possession of the property through civil courts; we will always look to make a claim for any legal costs occurred as well as any relevant compensation due.
- 5.3 The team check on average 8 RTB applications per month to ensure that the Council are not losing stock fraudulently.
- 5.4 Proactive Counter Fraud Investigations

Proactive work undertaken during 01/04/2022 to 31/03/2023 is shown below:

Description	Risks	Number Received
Advice to Directorates	General advice and support to Directors and Heads of Service including short ad-hoc investigations, audits and compliance.	21
Advice to Other Local Authorities	All Data Protection Act requests via Local Authorities, Police etc	8
Fraud Hotline	To take all telephone calls and emails relating to the 'Fraud Hotline' and refer appropriately.	7
FOI Requests	To undertake all Freedom of Information (FOI) Requests.	4
National Fraud Initiative Data Upload	To co-ordinate the data upload for the 2022/23 NFI. All data has been uploaded in accordance with the NFI Specification. The NFI is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud and is conducted every two years.	Matching has now been completed and the results are now under review.

5.5 Reactive Investigation Cases

Eight referrals were brought forward from the previous year and 11 cases were received during the year. Of the 19 cases:

- Three cases resulted in a disciplinary investigation;
- Three cases were passed to Management for action;
- Five are still under investigation; and
- Eight cases have been investigated where there was no case to answer.

5.6 Housing Cases

The following table illustrates the work undertaken in relation to housing fraud and right to buy (RTB) applications:

Description	2021/2022	2022/2023
Number of referrals investigated	91	123
Properties recovered	6	10
Notional Saving	£108,000	£180,000
RTB checked	146	101
RTB stopped	2	5
Notional Saving	£225,600	£581,000
Total Notional Saving	£333,600	£761,000

5.7 The following table illustrates the breakdown of cases:

Description	2022/23
Number of referrals brought forward	60
Number of new referrals retained for investigation *	63
Number of referrals currently under investigation	68
• Notice To Quit (NTQ) / Surrender of Tenancy (SOT) issued	7
• Pending bailiff action / Awaiting Eviction	2
• Passed to Legal Services for Criminal / Civil Proceedings	10
• Awaiting Court Hearing	2
• Open Investigations	47
Number of completed (Closed) investigations	55
• Properties Recovered	10
• RTB stopped **	5
• Criminal Prosecution	1
• Homeless Duty Discharged / Stopped Change of Tenancy	2
• NFA	28
• No Offence	9

Key: * Total number of referrals received and triaged is 152. However, only 63 are being investigated as the remaining referrals do not get investigated by the Counter Fraud Team, e.g. Housing Benefit, other LA's.

** Total number of RTB's referred and reviewed is 101

NB: Housing Services refer Mutual Exchanges to the Counter Fraud Team to review. A total of 58 Mutual exchanges have been referred and reviewed. One had been retained for further investigation but has since been closed.

6 Risk Management Arrangements

- 6.1 The strategic risks to the achievement of the Authority's objectives are captured within a corporate risk register which is overseen by the Governance and Assurance Board (GAB), reviewed by SLT and progress reported to the Audit Committee. Work continued during 2022/23 to review the risks, overseen by the GAB to ensure that the corporate risk register reflects the risks facing the Council. During 2022/23 Internal Audit have continued to implement the JCAD Risk System, provided training to Directorates and ensured that Directorate risk registers have been added to the system. Work will continue during 2023/24 to support the general risk management processes.
- 6.2 The risk management strategy and supporting policies are reviewed regularly to ensure they remain relevant to the Council's systems and procedures, and will be approved by the Audit Committee biannually.

7 Governance Arrangements

- 7.1 There is an established officer Governance and Assurance Board at LB Havering, which the Head of Assurance attends. The work of Internal Audit informs this group and issues brought to the group and identified in the Annual Governance Statement (AGS), inform the annual audit plan. Governance arrangements are routinely considered as part of all internal audit reviews.

8 Audit Committee

- 8.1 The Audit Committee has had a pivotal role in ensuring the risk management, governance and internal control environment is adequately robust.

Audit Title – LBH Systems Audits	Opinion / Status as at end Q4	Recommendations			
		H	M	Adv	Total
Governance Arrangements (Highways)	Completed – Advisory review				
Pro-active Data Matching Exercise (Accounts Payable and Payroll)	Reasonable	0	0	2	2
SEND Transport	Limited	4	4	2	10
Contract Management - Cash Collection	Limited	3	1	0	4
Direct Payments	Reasonable	0	4	2	6
Housing – Property Buy-Backs	Reasonable	0	1	1	2
Supported Families (Q1 Review)	n/a	n/a	n/a	n/a	n/a
Supported Families (Q2 Review)	n/a	n/a	n/a	n/a	n/a
Supported Families (Q3 Review)	n/a	n/a	n/a	n/a	n/a
Supporting Families – Year End Assurance (Inc. Q4 review)	Reasonable	0	0	0	0
DPIA Compliance - CCTV (ICT Governance) Phase 1	Completed	n/a	n/a	n/a	n/a
DPIA Compliance - CCTV (ICT Governance) Phase 2	Limited	3	0	0	3
Projects and Programmes	Limited	1	2	0	3
Housing – Service Charges	Limited	4	0	0	4
Voids – Follow Up	Limited	2	0	0	2
Payroll Follow Up (Compliance - Key Financial)	Limited	3	0	0	3
Licensing – Process Review	Reasonable	0	0	1	1
Potential Data Breach Investigation	Completed	n/a	n/a	n/a	n/a
Cash Collection (Parking)	Completed	0	0	1	1
Contract Management – Environment (Phase 1)	Completed	n/a	n/a	n/a	n/a
Mayors Appeal Fund	Completed	n/a	n/a	n/a	n/a
Complaints Process (risk assessment)	Completed	n/a	n/a	n/a	n/a
Social Care Contract Award Follow Up	Reasonable	n/a	n/a	n/a	n/a
SEND Transport Follow Up	Reasonable	n/a	n/a	n/a	n/a
Private Sector Leasing (PSL) Follow Up	Reasonable	0	1	2	3
Housing - Compliance	Reasonable				
Contract Management – Environment (Phase 2)	Completed	n/a	n/a	n/a	n/a
Procurement – Traded Services	Completed	n/a	n/a	n/a	n/a

Waivers	Draft Report	Moved to 2023/24 Plan			
Procurement Summary	Draft Report	Moved to 2023/24 Plan			
Faster Payments (duplicate payments)	Draft Report	Moved to 2023/24 Plan			
Supplier Creation (Compliance – Key Financial)	Underway	Moved to 2023/24 Plan (to incorporate into Governance and Culture Compliance area)			
Housing – Responsive Repairs	Underway	Moved to 2023/24 Plan			
Planning	Added to 2023/24 Audit Plan				
Public Realm – Risk Mapping Phase 2	Added to 2023/24 Audit Plan				
Continuing HealthCare	Added to 2023/24 Audit Plan				
Highways Services (including Contract Management)	Added to 2023/24 Audit Plan				
Joint Ventures – Governance & Compliance	For consideration in 2023/24 Audit Plan				
Safeguarding Adults	Removed following risk assessment with Director				
Audit Title – LBH Schools Audits					
Scotts Primary	Reasonable	0	1	1	2
St Ursula’s Catholic Primary	Reasonable	0	4	0	4
The RJ Mitchell Primary	Reasonable	5	5	0	5
Parklands Primary	Moved to 2023/24				
Academies					
Emerson Park Academy	Reasonable	0	1	3	4
Shaw Primary Academy	Reasonable	0	2	0	2
Health Checks					
Health Checks (15)	8 Completed	7 moved to 2023/24			

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no financial implications or risks arising directly from this report which is for information only.

By maintaining an adequate internal audit service, management are supported in the effective identification and efficient management of risks and ultimately good governance. Failure to maximise the performance of the service may lead to losses caused by insufficient or ineffective controls or even failure to achieve objectives where risks are not mitigated. In addition recommendations may arise from any audit work undertaken and managers have the opportunity of commenting on these before they are finalised. In accepting audit recommendations, the managers are obliged to consider financial risks and costs associated with the implications of the recommendations. Managers are also required to identify implementation dates and then put in place appropriate actions to ensure these are achieved. Failure to either implement at all or meet the target date may have control implications, although these would be highlighted by any subsequent audit work. Such failures may result in financial losses for the Council.

Legal implications and risks:

Regulation 6 of the Accounts and Audit Regulations 2015 requires the Authority to conduct a review of the effectiveness of the system of internal control which must be considered by the relevant committee or by full Council. This report seeks to comply with that statutory obligation and there are no apparent risks in considering the end of year report.

Human Resources implications and risks:

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

Climate Change implications and risks:

None arising directly from this report. Risks around this are reflected in the Corporate Risk Register, added into the Internal Audit Plan and incorporated into the scope of audits where relevant.

Equalities implications and risks:

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share

protected characteristics and those who do not, and;
(iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.