



## AUDIT COMMITTEE 18 OCTOBER 2023

**Subject Heading:**

Assurance Progress Report

**SLT Lead:**

Kathy Freeman, Strategic Director of Resources

**Report Author and contact details:**

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**Policy context:**

To inform the Committee of progress on assurance work during 2023/24.

**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

People making Havering	[X]
Places making	[X]
Resources making Havering	[X]

### SUMMARY

This report advises the Committee on the work undertaken by the Assurance Service (internal audit and counter fraud) during the period from 1<sup>st</sup> April to 30<sup>th</sup> September 2023.

### RECOMMENDATIONS

1. To note the contents of the report.

2. To raise any issues of concern and ask specific questions of officers where required.

## REPORT DETAIL

### 1. Introduction

- 1.1 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.
- 1.2 Audit Committees are a key source of assurance about an organisation's arrangements for managing risk, maintaining an effective control environment and reporting on financial and other performance. Whilst the Council's Section 151 Officer has overarching responsibility for discharging the requirement for sound financial management, an effective Audit Committee providing support and challenge on the governance arrangements the Council has in place is required.
- 1.3 Internal audit is a key component of corporate governance within the Council. 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.
- 1.4 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.
- 1.5 The Annual Audit Plan was presented to Audit Committee in April 2023. The plan was developed in line with the three themes (People, Place and Resources) outlined in the Havering Vision and Corporate Plan. Members are reminded that the 2023/24 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. The status of the 2023/24 Internal Audit Plan is reported in Section 5 of this report.
- 1.6 This report brings together all aspects of internal audit and counter fraud work undertaken during quarter's one and two (the period from 1<sup>st</sup> April to 30<sup>th</sup> September), in support of the Audit Committee's role.
- 1.7 The report supports the Head of Assurance's ongoing assurance opinion on the internal control environment and highlights key outcomes from internal

audit and counter fraud work and provides information on wider issues of interest to the Council’s Audit Committee.

**2. Executive Summary of work undertaken by Internal Audit (1/4/23 – 30/9/23)**

2.1 Current, cumulative progress toward delivery of the 2023/24 audit plan, as at the end of September 2023, is summarised in the table below, with further detail provided in Section 2.3. 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.

<b>Audit Plan Status</b>	<b>Number of Audits / Tasks</b>
Final reports issued / Reviews Completed	11
Draft reports issued	4

2.2 In giving an overall Audit opinion on the system control environment within the areas reviewed, there are two levels of assurance as follows:

<b>Key to Assurance Levels</b>	
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.

2.3 The tables below detail the results of the work undertaken during quarter one and two of 2023/24. These recommendations are provided with the limited assurance summary reports to which they relate in section 3.

<b>Audit Title – LBH Systems Audits</b>	<b>Assurance</b>	<b>Recommendations</b>			
		<b>H</b>	<b>M</b>	<b>Adv</b>	<b>Total</b>
<b><u>Full System Reviews:</u></b>					
Service Charges Follow Up	Limited	2	0	0	<b>2*</b>
Duplicate Payments (Faster Payments)	Limited	3	3	1	<b>7</b>
DPIAs - CCTV (Follow up)	Reasonable	0	0	0	<b>0</b>
Responsive Repairs	Limited	1	1	2	<b>4</b>
<b><u>Advisory/ Grant Reviews:</u></b>					
Insurance Process Mapping (Phase One – Third Party Claims)	n/a	n/a	n/a	n/a	n/a
Mayors Appeal Fund	n/a	n/a	n/a	n/a	n/a
Supporting Families (Quarter One)	n/a	n/a	n/a	n/a	n/a
<b>System Audits Total</b>		<b>6</b>	<b>4</b>	<b>3</b>	<b>13</b>

\*The recommendations here reference those raised in the original report that remain outstanding (or partly implemented) at the time of the follow up review. Revised implementation dates for the recommendations to be implemented have been assigned as part of the follow up review outcomes.

Audit Title – LBH Schools Audits	Assurance	Recommendations			
		H	M	Adv	Total
St Patricks Primary	Reasonable	0	3	0	3
Parklands Primary	Reasonable	0	2	0	2
Engayne Primary	Reasonable	0	1	0	1
Gidea Park Primary	Reasonable	0	5	2	7
<b>School Audits Total</b>		<b>0</b>	<b>11</b>	<b>2</b>	<b>13</b>

- 2.4 Internal Audit follows up all high and medium risk audit recommendations with relevant service management. 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.
- 2.5 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. Part 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.
- 2.6 All high and medium risk recommendations due as at the end of September 2023 have been followed up and confirmed with management as implemented. Any recommendations that remain outstanding and are past agreed implementation dates, or where management have not responded to requests for progress updates, will be reported to Audit Committee.
- 2.7 Recommendations are classified into three potential categories according to the significance of the risk arising from the control weakness identified. The three categories comprise:

<b>High</b>	Fundamental control requirement needing implementation as soon as possible.
<b>Medium</b>	Important control that should be implemented.
<b>Advisories</b>	Pertaining to best practice.

### **3 Limited Assurance Report Summaries and Recommendations**

#### **3.1 Service Charges – Follow Up**

##### **3.1.1 Introduction**

An audit of Service Charges was undertaken as part of the 2022/23 Internal Audit Plan and resulted in a **Limited Assurance** on the system of internal control being given. The opinion reflected that there were fundamental weaknesses in the internal control environment within the areas reviewed, further action was required to manage risks to an acceptable level. The audit made four high priority recommendations that aimed to mitigate the risks identified. All recommendations were accepted by management and were due to be implemented by March 2023. Limited Assurance reports are assigned a Follow-Up review to take place within six months of the original audit, intended to assess the status of implementation of the recommendations and provide an assurance opinion based on this progress.

##### **3.1.2 Scope of Review**

This review is to assess the implementation of the recommendations raised in the original report.

##### **3.1.3 Summary of Findings**

This review has found that two recommendations have been implemented, and two remain outstanding. Although progress has been made to address the weaknesses identified during the initial audit, there are still some outstanding issues. There is an action plan in place to address the weaknesses identified within the recommendation, and the service expect to implement them by October 2023. Therefore the audit assurance remains as **Limited Assurance**, as further follow up will therefore be undertaken during quarter three, 2023/24.

### 3.1.4 Recommendations and Management Action Plan

<b>Recommendation 1</b>		<b>High</b>
The Grounds Maintenance Services SLA between Housing and Public Realm should be annually reviewed, updated and formally agreed by both services.		
<b>Original Management Response</b>		
This is agreed and first formal review will take place in March 2023		
<b>Original Implementation Date</b>	March 2023	
<b>Responsible Officer</b>	AD Housing Operations	
<b>Follow Up Response</b>	<p>As at 13<sup>th</sup> June 2023 Internal Audit were made aware that the draft SLA had been finalised in April 2022 with a review period of three years (at the time of the original review the signed SLA could not be located). A copy of the signed version was provided to Internal Audit as part of this follow up, and the service plan to review this in three years (2024/2025).</p> <p>The recommendation is therefore considered to have been implemented.</p>	
<b>Status of Recommendation</b>	<b>Implemented</b>	

<b>Recommendation 2</b>		<b>High</b>
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 to the tenants/ leaseholders.		
<b>Original Management Response</b>		
This cost review has taken place and been reviewed by Finance.		
<b>Original Implementation Date</b>	December 2022	
<b>Responsible Officer</b>	Waste and External Contracts Manager	
<b>Follow Up Response</b>	<p>Deadlines for 23/24 Service Charges were not able to be met and so the Schedule of Rates has remained the same. Discussions are ongoing between the services involved to progress this as a priority and a process is being developed in regard to the pricing.</p>	
<b>Status of Recommendation</b>	<b>Outstanding - Revised Date: October 2023</b>	

<b>Recommendation 3</b>		<b>High</b>
<p>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.</p>		
<b>Original Management Response</b>		
<p>This cost review has taken place and has been reviewed by Finance.</p>		
<b>Original Implementation Date</b>	December 2022	
<b>Responsible Officer</b>	Waste and External Contracts Manager	
<b>Follow Up Response</b>	<p>Deadlines for 23/24 Service Charges were not able to be met and so the Schedule of Rates has remained the same. Discussions are ongoing between the services involved to progress this as a priority.</p> <p>Minutes were provided from a Grounds Maintenance meeting (held in April 2023), to evidence that work is ongoing to provide the information as to when areas are managed; such as date and times of work, with before and after pictures. The service are looking in to the use of tablets for staff to facilitate this and this is currently being agreed with IT.</p>	
<b>Status of Recommendation</b>	<b>Outstanding - Revised Date: October 2023</b>	

<b>Recommendation 4</b>		<b>High</b>
Management to consider the risk impacts of this increasingly failing CCTV service.		
<b>Original Management Response</b>		
The service charges for CCTV will be ended from April 2023/24 and paid from the general rent pool.		
<b>Original Implementation Date</b>	December 2022	
<b>Responsible Officer</b>	Director of Housing	
<b>Follow Up Response</b>	<p>Cabinet have approved the update of CCTV in March 2023, however charges related to CCTV are no longer included within annual service charges to tenants.</p> <p>CCTV is no longer charged within the Service Charges to tenants, evidence was supplied to show that these costs have been removed for 2023/24.</p>	
<b>Status of Recommendation</b>	<b>Complete</b>	

## 3.2 Duplicate Payments (Faster Payments)

### 3.2.1 Introduction

Following the identification of three duplicate payments by finance, totalling approximately £473,187 and made using faster payments; a review was included in the 2022/23 Internal Audit plan as an emerging risk.

Internal Audit were notified that three duplicate payments had been identified (for the amounts of £470k, £1,485 and £1,702). In each instance, one payment was processed via the faster payments process and one via the standard Accounts Payable (AP) process – resulting in the duplicate payment. In all cases the duplicate payment wasn't identified through existing internal controls, but only after the supplier contacted the Council to advise that payments had been made twice.

Faster Payments are BACs/ CHAPs payments made directly on the day of request. The standard procedure for payments is via Accounts Payable where two payments runs are made per week. This process takes longer than a faster payment with a timescale of a maximum of five calendar days after the date of receipt of goods/services by service on Fusion (and completion of required steps by the supplier).

### 3.2.2 Scope of Review

- Determine the reasons that the duplicate payments occurred;
- Identify any weaknesses in the overall process (Faster Payments); and



- Identify controls to minimise the risk of duplicate payments.

### 3.2.3 Summary of Findings

Refunds for all of the duplicate payments above had been received prior to the conclusion of this Internal Audit investigation.

It is evident from the duplicate payments reviewed, that there are multiple weaknesses in the control environment that had led to these payments being duplicated. These are that:

- The process crosses multiple teams, resulting in no overall ownership of the process;
- There is a lack of information available to staff detailing when it would be appropriate to request a Faster Payment, as well as a lack of clear guidance as to what information should be provided as part of any request;
- Without ownership there is no driver for change. No work is being undertaken to analyse the data available, in order to understand which services are regularly raising faster payments and why, in an attempt to reduce the number of faster payments being processed;
- The findings of this review also show that faster payment requests that do not include the full original invoice details, such as the invoice number, prevent the system controls detecting the duplicate payment prior to processing. In the absence of any manual checks between the teams, there is a risk that there are further duplicate payments that remain undetected, and there is therefore a risk of financial loss to the council as a result; and
- The current approach to the processing of Faster Payments involves multiple teams which leaves the overall process being disjointed. Discussions held during this audit suggested that a request had previously been made to bring the process within one team, although this has not been implemented at the time of this review.

The overall audit opinion on the system reviewed provides **Limited Assurance**. This means that 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.

This audit makes **two high, three medium and one advisory** recommendations to mitigate the risks identified.

### 3.2.4 Recommendations and Management Action Plan

#### Duplicate Payments (Faster Payments) – Action Plan

Expected Outcome	Owner	Management Response inc Planned Actions	Time-scale
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R1	Ownership of the faster payments process should be determined.	Director of Finance / S151	The whole process of payments should be reviewed to understand what system functionality may exist to improve controls and simplify. This will include full process mapping of all methods of payments. Implementation of the recommendations will be reviewed once this is completed.	Dec' 2023
R2	In addition to the faster payment form, guidance should be produced and made available to all staff, outlining when it is acceptable to request a Faster Payment. Guidance should also set out the standard / expected level of detail to be provided within the request form.	Director of Finance / S151		Dec' 2023
R3	In order to minimise the risk of duplicate payments, the Faster Payment request form should be amended to include a declaration that, if the faster payment is being raised to replace a payment already submitted via the accounts payable process, that the person completing the form has instructed Accounts Payable to cancel the previous payment.	Director of Finance / S151	See management response to Recs 1 & 2.	Dec' 2023
R4	All required information should be recorded on the faster payment monitoring spreadsheet in full, to ensure that there is a complete and accurate record of Faster Payments.	Reconciliation Manager	All Faster Payments are now recorded on the Faster Payment Spreadsheet with sufficient details to allow appropriate tracing as required. We also keep copies of the Faster Payment forms for reference.	Complete

R5	In order to reduce the number of faster payments being raised unnecessarily, data analysis should be undertaken to identify why faster payments are being raised, whether the reason for the faster payment was justified.	Reconciliation Manager	See management response to Recs 1 & 2.	Dec' 2023
R6	Further work to identify duplicate payments that may have gone undetected should be carried out.	Reconciliation Manager	See management response to Recs 1 & 2.	n/a
Adv 2	Service to review the charge given the added administrative resource cost of this, the inconsistency in which it is applied and the lack of effectiveness as a deterrent.	Director of Finance / S151	See management response to Recs 1 & 2.	n/a

### 3.3 Responsive Repairs

#### 3.3.1 Introduction

The Internal Audit Plan for 2023/24 agreed by Audit Committee, included a review of Responsive Repairs.

#### 3.3.2 Scope of Review

The scope of this audit covered the management of the risks, as they relate to the delivery of the councils repairs process.

The review focussed on repairs carried out by the Councils largest contractor. The review covered the period, since the beginning of the contract with this contractor, whilst acknowledging that there was a mobilisation period between the end of the contract with previous provider and the commencement of the contract with current provider.

#### 3.3.3 Summary of Findings

This review found that there is a reliance on Council officers, the provider and sub-contractors, to maintain the integrity of the data within Open Housing poses a risk as to the accuracy of the data within Open Housing. Whilst there are controls in place to review certain aspects of the data, such as the completion of jobs within target, there is no review of the completeness and accuracy of other data within the system.

This work highlighted the importance of ensuring that information is being accurately recorded and updated within the Open Housing system, particularly when this data is feeding into the contract management process and the assessment of the providers' performance against KPIs.

However more importantly, the review found that the service had failed to adequately execute the contract. Despite the contract commencing in April 2022, at the time of writing this report, the contract had not been signed and sealed.

As the Council is receiving and paying the service, it implies that both parties have agreed to the terms and conditions as it stands, however in the event of a dispute there would be a reliance on the contract signed and agreed by both parties. Not only would the lack of a signed contract be problematic in the event that the Council wanted to enforce on any aspects of the contract.

There is also a concern that this issue was only highlighted after enquiries by Internal Audit as part of this review, posing a significant risk that without this review, the lack of a contract, signed and sealed in accordance with the Council's Constitution would not have been identified and addressed.

There has been a significant improvement in the arrangements in place compared to those in place under the previous provider. Manual processes have been replaced with automated processes by integrating the Council's Open Housing system with the providers system.

These changes have provided improved management information, increased visibility and tighter control, not only in the Council's ability to monitor the quality of work and performance of the provider, but also within the billing process.

The move to a more collaborative working environment, with Council officers and those of the provider sharing an office, enables an efficient and effective working relationship, which was clearly observed by the auditor during the review. Moving the Contact Centre over to the provider has also transferred responsibility to the provider to reduce the number of errors being made.

Whilst the audit would have given reasonable assurance on the control framework in place for the Responsive Repairs process and contract management of the provider; due to the absence of a contract signed by all parties, and the risk that this would not have been addressed without this review, the overall audit opinion on the system reviewed provides **Limited Assurance**. This means that 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.

This audit makes one high, one medium and two advisory recommendation to mitigate the risks identified.

### 3.3.4 Recommendations and Management Action Plan

Responsive Repairs – Action Plan				
	Expected Outcome	Owner	Management Response inc Planned Actions	Time-scale
R1	Action should be taken to execute the contract immediately. This should include confirming with Legal Services that no amendments have been made to the contract that was originally awarded and whether any significant changes to the service, such as the transfer of the Contact Centre require a contract variation.	Director of Housing and Property	The Service and Legal are aware of the situation with this contract. Immediate action is being taken by the recently appointed Director of Housing and Property to address this issue.	Oct' 2023
Adv R2	Management are advised to take action if performance starts to drop below key performance indicator targets.	Repairs & Voids Manager	Agreed.	n/a
Adv R3	To improve the accuracy and timeliness of information within Open Housing, all operatives, including sub-contractors, should be using hand held devices in order to interface directly with the Open Housing system.	Repairs & Voids Manager	Agreed.	n/a
R3	A review of Open Housing data should be undertaken. The review should: <ul style="list-style-type: none"> <li>• Determine the accuracy of the information being recorded;</li> <li>• The implications of inaccurate data and therefore whether any action needs to be taken;</li> <li>• Whether systematic reviews are needed to check on the accuracy of data, such as in the case of out of hours jobs; and</li> <li>• Whether any additional codes are needed to increase the accuracy of the records.</li> </ul>	Director of Housing and Property	Agreed.	Feb' 2024

#### 4 Counter Fraud Audit Work

The counter fraud service are continuing to follow up, fraud referrals, desk based intelligence checks and investigations with door step visits and Interviews under Caution where necessary The Council take a zero tolerance approach to tenancy fraud and currently have 70 open investigations.

During the period 01/04/2023 to 25/09/2023, 14 non-housing referrals were also received; seven of which were Whistleblowing referrals. Ten cases have been investigated and concluded and four referrals are currently being investigated.

##### 4.1 Proactive Counter Fraud Investigations

Proactive work undertaken during 01/04/2023 to 30/09/2022 below:

Description	No. Received
<b>Advice to Directorates:</b> General advice and support to Directors, Heads of Service etc. including short ad-hoc investigations, audits and compliance.	9
<b>Advice to Other Local Authorities:</b> All Data Protection Act requests via Local Authorities, Police etc.	17
<b>National Fraud Initiative:</b> 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.	Results are currently under review.

##### 4.2 Reactive Investigation Cases

Five referrals were brought forward from the previous period.

- Four cases have been investigated and concluded; and
- The remaining case is still under investigation.

During 01/04/2023 to 25/09/2023 14 referrals were received; seven of which, information was provided by Whistle-blowers:

- Ten cases have been investigated and concluded; and
- Four referrals are currently being investigated.

### 4.3 Housing Cases

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

Description	2022/2023	2023/24 to date
Number of referrals for investigation	123	89
Properties recovered	10	10
Notional Saving *	£180,000	£420,000
RTB referred and reviewed	101	58
RTB stopped	5	3
Notional Saving	£581,000	£383,820
<b>Total Notional Saving</b>	<b>£761,000</b>	<b>£803,820</b>

\* Notional saving revised from 2022/23 figures as recommended method uses a standard formula to arrive at an average national cost to the taxpayer per detected tenancy fraud of £42,000

The following table illustrates the breakdown of cases:

Description	2022/23 (to date)
Number of referrals brought forward	68
Number of new referrals retained for investigation *	22
Number of referrals currently under investigation	<b>70</b>
• Notice To Quit (NTQ) issued	3
• Pending bailiff action	2
• Passed to Legal Services for Criminal / Civil Proceedings	8
• Awaiting Court Hearing	3
• Open Investigations	54
Number of completed investigations	<b>20</b>
• Closed Properties Recovered	10

• Closed RTB stopped **	3
• Closed NFA	5
• Closed - Housing Action	2

Key: \* Total number of referrals received and triaged was 82. However, only 22 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 was 58.

Housing Services refer Mutual Exchanges to the Counter Fraud Team to review. A total of 21 Mutual exchanges have been referred and reviewed.

## 5 Status of Internal Audit Plan 2023/24

Audit Title – LBH Systems Audits	Opinion / Status as at end Q2	Recommendations			
		H	M	Adv	Total
Mayors Appeal Fund	n/a	n/a	n/a	n/a	n/a
Supporting Families (Quarter One)	n/a	n/a	n/a	n/a	n/a
Insurance Process Mapping (Phase One – Third Party Claims)	n/a	n/a	n/a	n/a	n/a
DPIAs - CCTV (Follow Up)	Reasonable	0	0	0	0
Service Charges Follow Up	Limited	2	0	0	2
Responsive Repairs	Limited	1	1	2	4
Duplicate Payments (Faster Payments)	Limited	3	2	2	7
<b>Total to the end of Quarter 2</b>					
Waivers	Draft Report				
Engagement of Consultants (Governance and Compliance Culture Phase One)	Draft Report				
IT Transition Procurement Support	Draft Report				
Procurement Thematic Review	Draft Report				
Schools Catering Services – Allergy Management	Underway				
Supplier Creation (Governance & Compliance Culture – Key Financial)	Underway				
Highways Services	Q3				
Reablement Contract	Q3				
Contracts Register	Q3				
Governance and Compliance Culture (Phase two)	Q3/Q4				



Voids (Tenant Rechargeable Repairs)	Q4				
Complaints	Q4				
Planning	Q4				
Public Realm	TBC				
Projects (risk based deep dive reviews)	TBC				
ICT (General)	TBC				
ICT – Service Desk	Moved to 2024/25				
Empty Properties (Council Tax Charges)	Moved to 2024/25				
Household Support Fund	Removed following risk assessment				
Continuing Healthcare	Removed following discussions with Director				
<b>Audit Title – LBH Schools Audit Programme</b>					
St Patricks Primary	Reasonable	0	3	0	<b>3</b>
Parklands Primary	Reasonable	0	2	0	<b>2</b>
Engayne Primary	Reasonable	0	1	0	<b>1</b>
Gidea Park Primary	Reasonable	0	5	2	<b>7</b>
<b>Total to the end of Quarter 2</b>		<b>0</b>	<b>11</b>	<b>2</b>	<b>13</b>
Langtons Infants	Q3				
Suttons Primary	Q3				
Whybridge Infants	Q3				
Learning Federation	Q3				
Brady Primary	Q4				
St Albans Primary	Q4				
James Oglethorpe Primary	Q4				
<b>Academies</b>					
Emerson Park	Underway				
Shaw	TBC				
<b>Health Checks</b>					
Health Checks (13)	3 Completed	4 underway			

## IMPLICATIONS AND RISKS

### **Financial implications and risks:**

There are none arising directly from this report which is for noting and/or providing an opportunity for questions to be raised.

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.

### **Climate Change implications and risks:**

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

### **Legal implications and risks:**

None arising directly from this report.

### **Human Resources implications and risks:**

None arising directly from this report.

## **Equalities implications and risks:**

None arising directly from this report.

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, and 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.