

APPENDIX 2 – High Priority Recommendations

2020-21 Internal Audit Annual Report Audit Committee 25th January 2021

Introduction

This appendix summarises high priority recommendations arising from audit reviews that attracted a less than 'moderate' assurance rating since our last update to Committee in September 2020. It provides an overview of findings in areas where control weaknesses have been identified that present a high risk to specific service objectives.

Satisfactory management responses to audit recommendations have been obtained. Follow up reviews will be conducted to assess the level of implementation of audit recommendations.

| Reference | Audit Title |
|-----------|---|
| CC20-2 | Change Programme/Programme Management Office (PMO) |
| | <p>This extended review looked at the redesign of the Council's Programme Management Office (PMO) and conducted project health checks across a sample of three programmes (one each in Housing, Environment and Regeneration and People). High priority recommendations were raised in relation to the following areas:</p> <p>Programme Management Office redesign</p> <ul style="list-style-type: none">• Programme level governance structures and activity was , in some cases, not consistent across the Council;• The PMO toolkit did not include Risks, Assumptions, Issues and Dependencies (RAID) logs and dependency tracking;• Risks and issues were not consistently managed across the Council's change portfolio; and• There was a lack of skills analysis or gap assessment of project management capabilities across the Council. <p>Project Health Checks</p> <p>It should be noted that the review found a varying level of findings based on the differing maturity of programmes in the sample. As such, some recommendations may include enhancements to the control environment which form part of existing plans, but which have not yet been executed:</p> |

| Reference | Audit Title |
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| CC20-2 | Change Programme/Programme Management Office (PMO) |
| <p><u>Housing: PFI 2</u></p> <p>The PFI 2 programme is more mature than other programmes included in scope for this audit, with a well-established programme management framework. Therefore one finding has been noted as follows:</p> <ul style="list-style-type: none"> • Lessons learned had not been captured. <p><u>People: Adult Social Care (ASC) Transformation</u></p> <p>At the time of the audit, the ASC Transformation programme was in the early stages of establishing a project management framework. Findings therefore reflect that this work was still in progress:</p> <ul style="list-style-type: none"> • There was a lack of overarching programme business case or owners; • There was a lack of robust assessment of financial risks to programme; • Investment was not yet secured for the entire programme and costs were not tracked against budget/milestones; • There was a lack of formal scope management; • There was a lack of quality acceptance criteria or metrics; and • A detailed benefits measurement case had not yet been documented. <p><u>Environment and Regeneration: Fleet Electrification</u></p> <p>At the time of the audit, the Fleet Electrification programme was in the very early stages of establishing a project management framework. Findings therefore reflect that this work was still in progress.</p> <ul style="list-style-type: none"> • The programme level governance structure was not yet complete; • There was a lack of a mechanism for stakeholder engagement; • A formal risk management process was not yet in place; • Finance and cost management was not robust and costs were currently not tracked against progress; • The scope and business case was yet to be formally agreed; and • Benefits were not yet tracked against business case. | |

| Reference | Audit Title |
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| ER20-3 | Parking Services |
| <p>Four high priority recommendations were raised in relation to the following areas:</p> <ul style="list-style-type: none"> • The debt recovery process was not consistently followed; • Cancelled Penalty Charge Notices (PCNs) did not, in some instances, follow process; | |

| Reference | Audit Title |
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| ER20-3 | Parking Services |
| <ul style="list-style-type: none"> • Spot checks of enforcement decisions were not carried out; • Contract management of debt enforcement agents was not consistently taking place. | |

| Reference | Audit Title |
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| HOU20-1 | HomeBuild Programme |
| <p>One high priority recommendation was raised in relation to the following area:</p> <ul style="list-style-type: none"> • The Finance team was not consistently represented at governance forums. | |

| Reference | Audit Title |
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| HASS19-5 | Disability Action Islington (Voluntary Sector Organisation) |
| <p>Five high priority recommendations were raised in relation to the following areas:</p> <ul style="list-style-type: none"> • Disclosure and Barring Service (DBS) checks were not consistently carried out; • Contracts of employment were not signed; • Articles of Association were not reviewed; • Financial management arrangements were not sufficiently robust; and • Consultancy expenditure was not robustly monitored. | |

| Reference | Audit Title |
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| AD19-02 | Conewood Children's Centre |
| <p>Five high priority recommendations were raised in relation to the following areas:</p> <ul style="list-style-type: none"> • Financial policy and governance arrangements was not clear; • Financial management arrangements were was not sufficiently robust; • Payroll and Human Resources decisions were not appropriately authorised; • Instances were noted where pensions and investments information was incorrect; • Petty cash was not operated as an imprest account. | |

APPENDIX ENDS