



City of Westminster Committee Report

Meeting:	Audit & Performance Committee
Date:	10 July 2019
Classification:	For General Release
Title:	Annual Report on Internal Audit and Internal Control - 2018/19
Wards Affected:	All
Financial Summary:	The Council's budget
Report of:	David Hughes, Shared Services Director for Audit, Fraud, Risk and Insurance
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1. Executive Summary

- 1.1 This report summarises the work of Internal Audit in 2018/19, including an update on work completed since the previous report to the Committee, and provides the audit opinion of the Shared Services Director of Audit, Fraud, Risk and Insurance on the adequacy and effectiveness of the Council's framework of governance, risk management and control. This opinion is provided for the use of Westminster City Council and is used to support its Annual Governance Statement.
- 1.2 From the Internal Audit work undertaken in the financial year 2018/19, reasonable assurance can be provided that systems of internal control in place are effective with 91% of the audits undertaken receiving a positive (substantial or satisfactory) assurance opinion.
- 1.3 There are a few areas where control improvements are required and compliance with agreed systems could be improved. In each case, action plans are in place to remedy the weaknesses identified. These will be followed up by the internal audit team until they are completed.
- 1.4 The Council was found to be effective, in most areas, at implementing recommendations where concerns in respect of controls were identified.

2. Recommendation

- 2.1 That the Committee consider and comment on the results of the internal audit work carried out during the period.

3. Background, including Policy Context

- 3.1 The Audit and Accounts Regulations 2015 require the Council to conduct a review of effectiveness of the system of internal control. With effect from 1 April 2015, the Council's internal audit service has been provided under a shared service arrangement with the Royal Borough of Kensington & Chelsea (RBKC) and the London Borough of Hammersmith and Fulham (LBHF). RBKC are the host authority for the provision of this service which is managed by the Shared Services Director of Audit, Fraud, Risk and Insurance.
- 3.2 The in-house internal audit team is supplemented by resources from Mazars LLP under a Framework arrangement with the London Borough of Croydon and PWC under a Framework arrangement with the London Borough of Islington.
- 3.3 Detailed reports on the performance and outcomes of the internal Audit work undertaken, have been presented quarterly to the Council's Section 151 Officer and at each meeting of the Audit & Performance Committee during 2018/19, with a further update provided in Appendix 3 to this report for recently completed reviews.
- 3.4 Where appropriate, audits were undertaken on a bi-borough basis where the underlying services operate in such a manner. Additionally, where the opportunity arose, audits considered the controls across all three Councils in services that remained sovereign. This approach provides the opportunity to compare and contrast systems to identify and disseminate best practice.
- 3.5 Wherever possible, when planned audits had to be postponed, alternative audit work was identified from the original plan's contingency list of audits or from in-year requests from senior management.
- 3.6 The internal audit service has been provided in accordance with the UK Public Sector Internal Audit Standards (PSIAS). Under these Standards, internal audit services are required to have an external quality assessment at least once every five years. During 2018/19 the Internal Audit Service undertook a self-assessment to verify PSIAS compliance which has identified general compliance with the Standards with minor improvements required which will be addressed during 2019/20.

4. Internal Audit Opinion

- 4.1 As the provider of the internal audit service to Westminster City Council, the Shared Services Director of Audit, Fraud, Risk and Insurance is required to provide the Section 151 Officer and the Audit & Performance Committee with an opinion on the adequacy and effectiveness of the Council's governance, risk management and control arrangements. In giving this opinion it should be noted that assurance can never be absolute. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.
- 4.2 The opinion is that, at the time of preparing this report and based upon the work completed this year, the Council's governance, risk management and internal control systems in the areas audited were adequate, with the exception of those areas detailed as "amber", all of which have been reported to the Audit & Performance Committee. This is a positive opinion which means that the Council generally has effective internal control systems with 91% of audits receiving a positive (substantial or satisfactory) assurance opinion. This is an increase from 2017/18 (85%) and reflects ongoing improvements in controls across the Council.
- 4.3 To provide context to the audit opinion ratings assigned to our assurance work, these have been summarised below:

Assurance Rating	Description
Substantial	There is a sound system of control designed to achieve the objectives. Compliance with the control process is considered to be substantial and no material errors or weaknesses were found.
Satisfactory	While there is a basically sound system, there are weaknesses and/or omissions which put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
Limited	Weaknesses and / or omissions in the system of controls are such as to put the system objectives at risk, and/or the level of non-compliance puts the system objectives at risk.
None	Control is generally weak, leaving the system open to significant error or abuse, and/or significant non-compliance with basic controls leaves the system open to error or abuse.

- 4.4 In the above context it should be noted that:
- This opinion is based solely upon the areas reviewed and the progress made by the Council to action internal audit recommendations;
 - Assurance can never be absolute neither can internal audit work be designed to identify or address all weaknesses that might exist;

- Responsibility for maintaining adequate and appropriate systems of internal control resides with Council management, not internal audit.
- 4.5 Follow up reviews confirmed that the implementation of medium and high priority recommendations has been consistently effective.
- 4.6 Issues arising from Internal Audit work which have significant implications for the Council's control assurance framework have been included in the Annual Governance Statement which is reported separately to this Committee. The monitoring process in respect of the Annual Governance Statement also ensures that follow up action is taken to remedy the key control weaknesses found.
- 4.7 There were some areas where improvements in compliance with controls were needed with a total of four audits being designated as "limited assurance", namely:

Service Area	Audit	Reported to A&P Committee
Children's Services	Leaving Care*	September 2018
Corporate Services (Fin & Res)	IT Procurement & Contract Mmnt*	September 2018
	Members IT*	September 2018
	FOI and SARs	July 2019

*The findings from these audits have been reported to the Audit & Performance Committee as indicated above and the implementation of recommendations arising from these audits have been reviewed during 2018/19 with good progress made to implement them.

As reported in Appendix 3 to this report, the implementation of the recommendations made in the FOI and SARs audit will be followed up in 2019/20.

4.9 Implementation of Hants CC Managed Services (Finance, HR & Payroll)

- 4.9.1 The Council exited from the BT Agresso Managed Service during 2018/19 and joined the public-to-public partnership for the provision of finance, HR and payroll services with Hampshire County Council (HCC). Services are provided through Hampshire's Integrated Business Centre (IBC).
- 4.9.2 Internal Audit were actively involved in the programme since commencement, providing independent assurance and ongoing constructive challenge through the planning, delivery and governance/oversight of the programme and has been satisfied that the programme has been robustly planned, well-resourced to ensure delivery of plans, and has been subject to good programme governance and oversight.
- 4.9.3 Testing and review was undertaken at key stages of the programme, including the Fit-Gap process, data migration and data verification, development of organisation structure and data required to enable work flow and approvals in the new system,

system integration testing and user acceptance testing. No significant issues were identified in the processes established to undertake these activities of from testing of transactions to ensure that processes were being correctly applied.

- 4.9.4 Appropriate arrangements were put in place to establish and maintain an archive of data held on the BT Agresso system, to enable access to the external auditor and others in respect of historic queries.
- 4.9.5 The Director of Audit, Fraud, Risk and Insurance worked closely with the Programme sponsors and Dependent Projects Board to ensure that key risks were identified, evaluated and plans put in place to manage them.
- 4.9.6 Following the implementation of the new Managed Service, the Senior Audit Manager and the Shared Services Director of Audit, Fraud, Risk and Insurance have been liaising with the HCC's Internal Audit Service, Southern Internal Audit Partnership (SIAP), to ensure that appropriate audit work can be planned to provide the Council with assurance over the adequacy of controls following the implementation of the new finance, HR and payroll systems.
- 4.9.7 During the year, the SIAP have undertaken audits in the following areas of the IBC:
- Governance Arrangements (satisfactory assurance);
 - Payroll (substantial assurance);
 - Order to Cash (Accounts Receivable) (satisfactory assurance);
 - Purchase to Pay (Ordering & Accounts Payable) (satisfactory assurance);
 - Debt Collection (satisfactory assurance);
 - Master Data Team (satisfactory assurance).
- 4.9.8 In addition, HCC commissioned an external review of the suitability of the controls and control objectives operated within the IBC, with the approach agreed with HCC and WCC's external auditors. A Service Organisation Controls Type 1 Report has been provided on the suitability of the design of controls as at 31 March 2019, which was based on International Standard Assurance Engagement (IASE) 3402. This report notes that the Description of Services provided by the IBC fairly presents the system that was designed and implemented as of 31 March 2019. It is also noted that the controls related to the control objectives were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively. It is also noted that certain control objectives can be achieved only if complementary user entity controls are suitably designed and operating effectively.

5. Assurance on Risk Management

- 5.1 The Council must ensure that it is delivering against priorities and requirements (political, community and statutory), that it is managing its processes effectively (finance, procurement, governance) and making the best use of its resources (money, assets, people). To ensure that outcomes are achieved for residents,

businesses and visitors, the Council has adopted recognised best practice in the identification, evaluation and control of risks and issues to ensure that they are managed at acceptable levels. The risk management process has clearly defined steps to support better decision making through the understanding of risks, whether a positive opportunity or a threat and the likely impact.

- 5.2 Risk and issue management are aligned to the Council's business planning, financial management, transformation activities and performance management processes to ensure that it is a live process. A combination of strategic and operational registers is used to ensure that risks and issues are captured and addressed in an integrated way.
- 5.3 The Executive Leadership Team reviews the Council's strategic risk on a regular basis and the top risks for the coming year were published in the Executive Director's Report in the Council's Annual Accounts.
- 5.4 The Director of Policy, Performance and Communications reports regularly to the Audit and Performance Committee on achievements against the Council's 'City for All' commitments, key performance indicators and risks. In areas of concern, Directors are requested to provide additional information to the Committee and during the financial year 2018-19, the following were reported to the Committee:
 - Provision of Home Care Services (April 2018);
 - CityWest Homes Performance and Transfer to the Council (September 2018 and February 2019);
 - Bi-borough arrangements in Adult Social Care and Children's Services (November 2018);
 - Procurement (February 2019); and
 - Regular reporting on the Programme to transfer finance, HR and payroll systems from BT Agresso to Hampshire CC SAP.

6. Assurance on Corporate Governance Arrangements

- 6.1 To Support the Annual Governance Statement, all Council directors are required to complete an annual Director's Assurance Statement which covers their arrangement for managing risk, performance and statutory/policy compliance in their areas or responsibility.
- 6.2 In addition, a number of independent reviews on the effectiveness of arrangements in the following areas have been completed which were reported to the Committee in May 2019:
 - The Role of the Chief Financial Officer (S151) – based on the CIPFA statement for this role;

- The Role of the Shared Services Director of Internal Audit, Fraud, Risk Management and Insurance – based on the CIPFA statement on the role of the Head of Internal Audit;
- The Audit & Performance Committee – based on the CIPFA Toolkit for Effective Audit Committees.

The outcome of these reviews indicated that they are operating effectively.

6.3 In addition to the above, from the work undertaken by Internal Audit, the Council's corporate governance framework is considered to comply with the best practice guidance on corporate governance issued by CIPFA/Solace.

6.4 Appendices to this report are as follows:

- Appendix 1 - A list of audits completed in 2018/19 with assurance opinions;
- Appendix 2 - A summary of the Internal Audit Service performance indicators; and
- Appendix 3 – A summary of Internal Audit outcomes since the last report to Committee.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact:

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BACKGROUND PAPERS

Internal Audit Reports;
Committee Progress Reports

Internal Audit Plan – 2018/19

Adult Social Care:

Auditable Area	RAG Status	Assurance level given	No of High Priority Recs	No of Medium Priority Recs	No of Low Priority Recs	Reported to Committee
Direct Payments (cfwd from 2017/18)	Green	Satisfactory	1	4	7	Sept 2018
IT – Mosaic (cfwd from 2017/18)	Green	Satisfactory	0	0	1	Sept 2018
Safeguarding (cfwd from 2017/18)	n/a	Advisory	0	3	0	Feb 2019
Client Affairs (cfwd from 2017/18)	n/a	Advisory	0	6	0	Feb 2019
Day Centre: 42 Westbourne Park	Green	Satisfactory	0	2	1	Jul 2019
Day Centre: Droop Street	Green	Satisfactory	0	1	3	Jul 2019
Day Centre: Lisson Grove	Green	Satisfactory	0	1	3	Jul 2019
Day Centre: Flexible Response Service	Green	Substantial	0	0	4	Jul 2019

Public Health:

Auditable Area	RAG Status	Assurance level given	No of High Priority Recs	No of Medium Priority Recs	No of Low Priority Recs	Reported to Committee
Public Health Prioritisation Framework (cfwd from 2017/18)	Green	Satisfactory	1	2	0	Nov 2018
Public Health – Commissioning, Planning & Delivery (cfwd from 2017/18)	Green	Substantial	0	0	0	Feb 2019
Public Health – Investment Fund	n/a	Advisory	2	3	2	Feb 2019

Internal Audit Plan – 2018/19

Children's Services:

Auditable Area	RAG Status	Assurance level given	No of High Priority Recs	No of Medium Priority Recs	No of Low Priority Recs	Reported to Committee
Leaving Care (cfwd from 2017/18)	Amber	Limited	2	4	0	Sept 2018
Supplier Resilience (cfwd from 2017/18)	Green	Satisfactory	0	2	1	Sept 2018
IT – Mosaic (cfwd from 2017/18)	Green	Satisfactory	0	3	0	Sept 2018
Emergency Duty Team (also covers ASC)	Green	Satisfactory	1	0	2	Jul 2019

Schools:

Auditable Area	RAG Status	Assurance level given	No of High Priority Recs	No of Medium Priority Recs	No of Low Priority Recs	Reported to Committee
Our Lady of Dolours (cfwd from 2017/18)	Green	Satisfactory	0	2	3	Sept 2018
St Barnabas (cfwd from 2017/18)	Green	Satisfactory	0	5	3	Sept 2018
St Peters Chippenham Mews (cfwd from 2017/18)	Green	Satisfactory	1	1	4	Sept 2018
St Mary Magdalene (cfwd from 2017/18)	Green	Satisfactory	0	3	3	Nov 2018
St Saviours Primary (cfwd from 2017/18)	Green	Satisfactory	0	2	5	Jul 2019
St George's Hanover Square Primary	Green	Satisfactory	0	6	2	Jul 2019
St James' & St John's Primary	Green	Satisfactory	0	8	4	Jul 2019
St Vincent de Paul Primary	Green	Satisfactory	2	9	4	Jul 2019

Internal Audit Plan – 2018/19

Growth, Planning & Housing

Auditable Area	RAG Status	Assurance level given	No of High Priority Recs	No of Medium Priority Recs	No of Low Priority Recs	Reported to Committee
Planning (cfwd from 2017/18)	Green	Satisfactory	0	3	0	Sept 2018
Implementation of Homelessness Reduction Act	Green	Satisfactory	1	2	0	Jul 2019
Churchill Gardens Resident Association	n/a	Advisory	2	24	1	Jul 2019

City Management & Communities:

Auditable Area	RAG Status	Assurance level given	No of High Priority Recs	No of Medium Priority Recs	No of Low Priority Recs	Reported to Committee
Licensing (cfwd from 2017/18)	Green	Satisfactory	0	4	2	Sept 2018
Libraries Target Operating Model (cfwd from 2017/18)	Green	Satisfactory	0	4	1	Sept 2018
Noise Complaints	Green	Satisfactory	0	3	1	Jul 2019
Electric Vehicle Charging Strategy	n/a	Advisory	0	2	1	Jul 2019

Policy, Performance & Communications:

Auditable Area	RAG Status	Assurance level given	No of High Priority Recs	No of Medium Priority Recs	No of Low Priority Recs	Reported to Committee
Section 106 Agreements	Green	Satisfactory	1	2	1	Feb 2019
Community Infrastructure Levy	Green	Satisfactory	1	3	0	Feb 2019

Internal Audit Plan – 2018/19

Corporate Services (now part of Finance & Resources):

Auditable Area	RAG Status	Assurance level given	No of High Priority Recs	No of Medium Priority Recs	No of Low Priority Recs	Reported to Committee
IT – Service Governance (cfwd from 2017/18)	Green	Satisfactory	0	2	1	Sept 2018
IT – Procurement & Contract Monitoring (cfwd from 2017/18)	Amber	Limited	2	3	0	Sept 2018
Members' IT (cfwd from 2017/18)	Amber	Limited	2	4	0	Sept 2018
IT – Office 365 Implementation (cfwd from 2017/18)	Green	Satisfactory	0	0	2	Feb 2019
HR – Pensions Admin (cfwd from 2017/18)	Green	Satisfactory	0	1	4	Sept 2018
HR – Off Payroll Working (IR35) (cfwd from 2017/18)	Green	Substantial	0	1	0	Nov 2018
Legal Services (cfwd from 2017/18)	n/a	Advisory	0	1	3	Feb 2019
Governance – Effectiveness of Roles	n/a	Advisory	n/a	n/a	n/a	May 2019
GDPR Readiness	n/a	Advisory	3	2	0	Jul 2019
FOI & SARs	Amber	Limited	2	4	0	Jul 2019
Complaints & Customer Engagement	Green	Satisfactory	0	3	1	Jul 2019
Implementation of new Finance, HR & Payroll System	n/a	Advisory	n/a	n/a	n/a	Jul 2019

City Treasurer: (now part of Finance & Resources)

Auditable Area	RAG Status	Assurance level given	No of High Priority Recs	No of Medium Priority Recs	No of Low Priority Recs	Reported to Committee
Housing Benefit (cfwd from 2017/18)	Green	Substantial	0	0	0	Sept 2018
NNDR (cfwd from 2017/18)	Green	Substantial	0	0	0	Sept 2018
Housing Benefit 2018/19	Green	Substantial	0	0	1	Jul 2019
NNDR 2018/19	Green	Substantial	0	0	0	Jul 2019
Council Tax	Green	Substantial	0	0	0	Jul 2019
CHAPS Controls	Green	Satisfactory	0	1	3	Jul 2019
Charitable Trust (IE)	n/a	Advisory	n/a	n/a	n/a	Jul 2019

Audits in progress

The audits listed below could not be completed prior to the end of the financial year and the outcomes from these audits will be reported to the Committee during 2019/20:

Children's Services	<ul style="list-style-type: none"> • TBAP Contract Monitoring (WIP) • Procurement of SEN Transport (Advisory)
City Management & Communities	<ul style="list-style-type: none"> • Cemeteries Contract Monitoring (draft report) • Community Safety (WIP) • Registrar Service Income (WIP) • Certified Enforcement Agent (Parking) Contract Monitoring (draft report) • Street Works Permits (WIP)
Growth, Planning & Housing	<ul style="list-style-type: none"> • Procurement of Temporary Accommodation (WIP) • Energy Performance of Buildings Compliance (WIP) • Building Control (WIP) • Procurement of Estate Services Management (Advisory) • Housing Management – Health & Safety Compliance (draft report)
Corporate Services (Fin & Res)	<ul style="list-style-type: none"> • IT - BT Agilisys Contract Monitoring
City Treasurer (Fin & Res)	<ul style="list-style-type: none"> • ASC Debt (WIP)
Policy, Performance & Communications	<ul style="list-style-type: none"> • Strategic Objectives (WIP) & Corporate Performance Monitoring (WIP)

Audits deferred

The audits listed below were not undertaken during 2018/19 for the reasons shown and where appropriate will be undertaken during 2019/20 or included in a future year's audit plan:

Plan Area	Auditable Area	Reason Audit not Undertaken
Adult Social Care	Mosaic – Disaggregation of Data	Data disaggregation not yet complete – to be reviewed in Q2-Q3 of 2019/20
Adult Social Care	Placements	Deferred to allow settled processes following disaggregation of the service.
Adult Social Care	Procurement	Several reviews completed in previous year
Children's Services	<ul style="list-style-type: none"> • Family Support & Safeguarding • MASH 	External reviews already undertaken in year
Children's Services	Business Continuity	Deferred to 2019/20 and will be a wider BC review
Children's Services	Childcare Funding (Additional Hours)	Not considered high risk – to review in a year
Children's Services	Procurement	Several review completed in previous years
Children's Services	Schools Thematic Reviews	Delay in agreeing scope – to be undertaken in 2019/20
Growth, Planning & Housing	Adult Education Service	Changes to funding to consider audit in 2019/20
Growth, Planning & Housing	Capital Programme (to include all areas) – PMO	Establishment of new PMO in 2018/19 to be reviewed in 2019/20
Growth, Planning & Housing	Housing Major Works Contracts	Defer due to move back to the Council and will be picked up in Capital Programme
Growth, Planning & Housing	Management of TMOs & TMO Action Plans	Defer due to move back to the Council. To consider in 2019/20
Growth, Planning & Housing	Housing Repairs	Defer due to move back to the Council. Include in future year.
Growth, Planning & Housing	Transformation of Service Delivery	External review completed in 2018/19

APPENDIX 1
Internal Audit Plan – 2018/19

Plan Area	Auditable Area	Reason Audit not Undertaken
Growth, Planning & Housing	<ul style="list-style-type: none"> • Income • Management of Investment Portfolio 	Deferred and replaced by review of procurement of Estate Management Services (advisory)
Growth, Planning & Housing	Partnerships – WEP	Currently under review by Council
City Management & Communities	Organisational Health & Safety	Advisory undertaken but full review deferred to 2019/20
City Management & Communities	Procurement	Suggested areas due to commence in 2019/20
City Management & Communities	Effective Neighbourhood Working	Delay to 2019/20 when new structures embedded.
ICT – RBKC & WCC	Cyber Security	Requested to defer audit until Q2 2019/20
ICT – RBKC & WCC	PCI Compliance	Defer until after year end 2018/19
CS - Managed Services – General (Fin & Res)	Various relating to HR, Payroll & Finance Systems	Replaced with review of implementation of new IBC system and controls. New areas to audit in 2019/20
CS – Procurement (Fin & Res)	Procurement Integrity	Integrity included in all procurement reviews
CS – Procurement (Fin & Res)	Procurement Expertise	Review of Procurement Team in progress in 2018/19 – reconsider post review
CS – General (Fin & Res)	Digital Transformation of Services	Replaced by external review of programme commissioned by CExec during 2018/19
City Treasurer (Fin & Res)	Bank Reconciliation	Requested deferral to after year end 2018/19
City Treasurer (Fin & Res)	Various relating to HR, Payroll & Finance System	Replaced with review of implementation of IBC system and controls. New areas to audit in 2019/20
Policy, Performance & Communications	Risk Management	Delay in commencing the audit due to other audits in this area being undertaken. To be undertaken in 2019/20

APPENDIX 2
Internal Audit Performance Indicators – 2018/19

Internal audit performance is summarised below against a range of performance indicators:

Performance Indicators	Target	Actual	Comments
Delivery			
Percentage of audit jobs completed by 31 March 2019	90%	90%	
Percentage of draft reports issued within 10 working days of fieldwork being completed	90%	90%	
Percentage of audits finalised within 10 days of a satisfactory response	95%	95%	
Quality			
External audit conclude they can place reliance on Internal Audit work (annual)	Yes	Yes	Liaison with external auditors to provide evidence of internal audit work.
Percentage of recommendations implemented and in progress	95%	97%	114 out of 130 recommendations fully implemented, 13 in progress and 3 not yet implemented.

Internal Audit Progress Report January to March 2019

1. Executive Summary

- 1.1 The work carried out by the Council's Internal Audit Service in the reporting period found that, in the areas audited, internal control systems were generally effective with seven satisfactory and one limited assurance reviews being issued in the period.
- 1.2 The follow up reviews completed in the period for sixteen audits confirmed that the implementation of recommendations has been effective with 96% of recommendations being fully or partly implemented at the time of review.

2. Audit Outcomes (January to March 2019)

- 2.1 Since the last report to Members, sixteen audits have been completed, fifteen of which did not identify any key areas of concern:

Audit	Assurance	RAG
ASC – Droop Street Centre	Satisfactory	Green
ASC – Flexible Resource Centre	Substantial	Green
ASC – 42 Westbourne Park	Satisfactory	Green
CHS – Emergency Duty Team	Satisfactory	Green
CS (Fin & Res) - Freedom of Information Act (FOI) & Subject Access (SA) Requests*	Limited	Amber
CS (Fin & Res) – Complaints & Customer Engagement	Satisfactory	Green
GPH – Homelessness Reduction	Satisfactory	Green
CMC – Noise Complaints	Satisfactory	Green
Schools: St Saviour's Primary	Satisfactory	Green
Schools: St George's Primary (Hanover Sq)	Satisfactory	Green
Schools: St James' & St John's Primary	Satisfactory	Green
Schools: St Vincent de Paul Primary	Satisfactory	Green
City Treasurer (Fin & Res) – Housing Benefit	Substantial	Green
City Treasurer (Fin & Res) – NNDR	Substantial	Green
City Treasurer (Fin & Res) – Council Tax	Substantial	Green
City Treasurer (Fin & Res) – CHAPS	Satisfactory	Green

*Further information on this audit is contained in paragraph 2.3

- 2.2 In addition, four advisory reports have been issued in the following areas:
- Implementation of the new Managed Service;
 - GDPR Readiness;
 - Churchill Gardens RA;
 - Electric Vehicle Procurement Strategy.

Recommendations arising from advisory reports are followed up and the implementation of these recommendations will be reported in summary to the Committee.

2.3 Freedom of Information Act (FOI) & Subject Access (SA) Requests (Amber)

The Freedom of Information (Fol) Act gives the public the right to request information held by the council. The Act came fully into force 1st January 2005 and applies to all information held by public authorities, regardless of when the information was recorded. The aim of the Act is to open up the inner workings of government departments and public bodies. The general principle is that people have the right to know and should not have to demonstrate a need to know. In order to comply with the Fol Act, Westminster City Council (WCC) need to respond to individual requests for information and have a Publication Scheme in place. The Publication Scheme provides Council information relating to how it operates and how it spends its budget. It will also detail information they intend to publish in the future, how this information will be published, and whether the information is available free of charge or on payment.

Individuals can also make Subject Access Requests (SARs) to obtain personal information held by the Council. This is permitted under the Data Protection Act (DPA). Where information is held, the Council will:

- Provide a description of it
- Tell the individual why they are holding it
- Tell the individual who it could be shared with
- Let the individual have a copy of the information if they are able to do so.

The audit identified that there is sufficient information available to staff on their responsibilities and the expectations when responding to FOI requests and directs them to the Information Governance Team if training or assistance is required on complex cases.

The Information Commissioner's office (ICO) has stated that websites may serve as a Council's guide to information and the Council's website contained information on how to make a Fol or SAR's request and on how to make a complaint should if a response to a request is not satisfactory. Requestors were also made aware of this process via the response letter.

Where exemptions are applied to a response or where a request exceeds the cost limit for providing the information, the requester is notified of this including a breakdown of the associated costs.

All cases reviewed in this audit had been appropriately signed off by the Information Management Officer.

The audit identified areas where controls required improvement with two high and four medium priority recommendations made to address the following:

- Local procedures were either not available, out of date and / or lacking key information / updates. The procedure notes received by audit were also not easily accessible by staff. The WCC FoI policy was available online, however this was last reviewed in 2011;
- The iCasework systems allows management to build its own monitoring reports. It allows management to extract relevant information to monitor the progress of the service. Audit reviewed a number of reports relating to response times, outstanding requests by department and by worker. Audit were advised that outcomes of these reports or FoI and SAR's in general were not discussed at Senior Management Team/Executive Leadership Team Meetings;
- One officer appeared to be responsible for the majority of requests which has impacted adversely on the response time for requests and disclosures;
- there were discrepancies between the actual date FoI's and SAR's requests are received and the date recorded on iCasework. In addition, there was evidence of delays in allocating requests to departments;
- The audit testing identified 26% of FOI requests received in a calendar year were responded to outside of the 20 working days' timescale. A number of SARs were also showing as 'awaiting documentation' for over a month (some dating back over a year). The monitoring of the responses was not considered to be effective;
- The Freedom of Information Act requires each public authority to produce and make available a Publication Scheme in the interests of openness and accountability. However, audit was advised that there is not a formal review of the Publication Scheme nor was frequently requested information published. Additional information such as an annual report online which details the number of requests received, responded to within time frames and exemptions applied were also not made available online.

The service has accepted all of the recommendations and is expecting to address them within the next six months when a follow up audit will be undertaken.

2.4 Implementation of Audit Recommendations

Sixteen follow-up reviews were undertaken in the period (January to March 2019) which confirmed that 85% of recommendations made had been implemented with good progress made to implement the remaining recommendations:

Audit	No of Recs Made			No of Recs Implemented			No of Recs In Progress			No of Recs not yet actioned		
PH – Supplier Resilience	3			3			0			n/a		
PH – Prioritisation Framework	1			1			0			n/a		
CHS – Leaving Care*	6			2			4			n/a		
St Peter’s CE Primary School	6			6			0			n/a		
Dorothy Gardner Nursery	5			5			0			n/a		
Our Lady of Dolours Primary School	2			2			0			n/a		
Queens Park Primary School	2			2			0			n/a		
Mary Paterson Nursery	3			3			0			n/a		
Tachbrook Nursery	4			4			0			n/a		
St Thomas’ Primary	4			4			0			n/a		
St Matthew’s Primary	6			6			0			0		
CMC – Highways Contracts	8			4			3			1		
CMC – Sayers Croft	4			4			0			n/a		
CS (Fin & Res) – Members IT	6			5			1			n/a		
CS (Fin & Res) – IT Procurement & Contract Monitoring	5			3			0			2		
CT (Fin & Res) – Pension Investments	4			4			0			n/a		
Total	72			61			8			3		
Priority of recommendations	H	M	L	H	M	L	H	M	L	H	M	L
	12	47	13	10	40	11	1	6	1	1	1	1

Follow up work is undertaken when the majority of the recommendations made are expected to have been implemented as indicated in an agreed management action plan. Sometimes recommendations cannot be fully implemented in the anticipated timescales. In these cases, where appropriate progress is being made to implement the recommendations, these are identified as “in progress”. Recommendations will be followed up until all high and medium priority recommendations are implemented or good progress in implementing them can be demonstrated. Where appropriate, the follow up is included in the next full audit of the area.