

Assurance – Q4 2016/17

1. SUMMARY

1.1 SERVICE DASHBOARD

Finance	Revenue Budget Variance			Capital Actual Variance			
	0.0%			N/A			

Risks	0% (0)	29% (4)	71% (10)	0% (0)	100% (14)	0%	0%
	0% (0)	17% (3)	83% (15)	0% (0)	100% (18)	0%	0%

1.2 KEY SUCCESSES AND CHALLENGES

Key Successes

100% completion of Appraisals under new assessment procedures

Corporate Anti Fraud Team (CAFT)

- **Blue Badge Fraud and Misuse** featured heavily within the CAFT program in 2016-17. CAFT resource was increased to combat what has proved to be an area of increasing fraud. Some of the outcomes of this activity includes **23** successful prosecutions and **43** Formal Cautions being issued.
- Another area of continued success for CAFT is in relation to **Tenancy Fraud investigations** which this year has resulted in **64 Properties being recovered**: of which **6** succession applications and **13** emergency accommodation properties being cancelled. CAFT interventions in this area have also resulted in **17** 'Right to Buy' applications and **10** new Housing applications being denied.
- **Successful Proceeds of Crime (POCA) Case**
'A landlord who was previously found guilty of breaching a planning enforcement notice has been ordered to pay a record fine and costs to Barnet Council after a lengthy and complex Proceeds of Crime investigation led by the Council's Corporate Anti-Fraud Team (CAFT).'

Mr Rahmdezfouli was found guilty at Wood Green Crown Court in August 2015 for breaching a planning enforcement order. Following the guilty verdict CAFT initiated an investigation under the Proceeds of Crime Act (POCA).

CAFT Specialist Financial investigators were able to investigate the case using special powers under the POCA to both identify and calculate the criminal benefit that Mr Rahmdezfouli had received. These officers were able to restrain properties to secure assets that would be used during the confiscation process. At the end of the POCA hearing at Wood Green Crown Court on 21st September 2016 His Honour Judge Patrick found in

Key Successes

favour of Barnet Council and a confiscation order was made against Mr Rahmdezfouli for an amount of £555,954 being the profit generated from his criminal conduct He was also fined £65,000 and ordered to pay £80,000 in costs

Under the governments POCA incentivisation scheme the confiscation amount of £555,954 will be split into 3 parts - £277,977 (50%) goes to the Treasury, £69,494 (12.5%) goes to the courts and £208,482 (37.5%) comes to Barnet council.

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Governance Service

- **Youth Assembly** – 57 members have to date signed up to Barnet Youth Assembly, making it the largest group of its kind in the country. The Governance Service supported the 2nd Youth Assembly cohort where each meeting focused on a specific theme. For the first half of the meetings, the Assembly heard from prominent and influential speakers on the relevant theme. In the second half of the meeting, members then raised and debated motions related to the meeting's theme.
To further enhance the role of the youth assembly and its relationship with Children's, Education, Libraries and Safeguarding Committee it was agreed if a motion raised by the Assembly is successful (that is to say a majority of members agree with the request) then it will be put into a report and presented to the Children's, Education, Libraries and Safeguarding Committee on 17th May 2017 – 11 motions will now be reported to Committee. The progresses of these, and previous motions, will be published on the website in the following months. This will enable Members of the Youth Assembly to track how their motions have got on, and see what impact they've had on their local area.
- **West London Economic Prosperity Board** – successfully supported the first 18 months of the work of the Board enabling key sub-regional strategic issues to be debated and raising Barnet's profile

Internal Audit

- The Internal Audit team was **shortlisted for a Public Finance Innovation Award** in the category of Innovation in Internal Audit. Barnet is one of the founding members of the Cross Council Assurance Service (CCAS), along with Islington, Camden, Lambeth, Enfield and Harrow.
- We completed **specialist audits** of the IT function (IT Disaster Recovery and IT Change Management) which have led to **service improvement**. We have agreed a timeframe for undertaking an IT Risk Diagnostic exercise to assess IT control maturity and to ensure that 2017/18 audits of IT are targeted in the most effective areas.

Electoral Services

- The First '**Annual Report of Electoral Registration**' was developed and presented to the meeting of the General Functions Committee on 20 March 2017. Feedback from the Committee was positive and the report was successfully accepted by the Committee
- Successful completion of the competitive tender, award of contract and primary installation (go-live) for a new Electoral Registration and Elections Management system

Key Challenges	Actions Required
<p><u>Electoral Services</u> The Prime Minister has called a General Election for 8 June 2017. This will cause all other work streams and objectives within Electoral Services to be halted for a minimum of 9 weeks. This will have significant impact on the delivery of some of the planned responses to the recommendations of the 'Smith Report' of Electoral Services.</p>	<p>A fully and comprehensive project plan has been developed and is being implemented.</p>
<p><u>Governance Services</u> Develop and Implement Members Post-Election 2018 IT Offer and roll out including clarification of capital and revenue funding.</p> <p>Member Development Programme</p>	<ul style="list-style-type: none"> • Work with Capita and Information management to refine Members IT offer and undertake user acceptance testing • SCB and Members to agree post-election 2018 programme for new and returning Members
<p><u>Internal Audit</u></p> <ul style="list-style-type: none"> • Timely implementation of audit recommendations is an indicator of the strength of an organisation's control environment. We have a target of 90% of our high priority recommendations being implemented within agreed timeframes, which was not met in any of the quarters of 2016/17. Responsiveness and engagement in audits and in implementing resultant recommendations is also an indicator of prevailing management culture and behaviours with regards to risk and control. 	<ul style="list-style-type: none"> • Moved to 'Agreed Actions' rather than 'Recommendations' within audit reports to increase buy-in • Escalation to CSG and Re Operations Directors and LBB Chief Operating Officer where required.
<ul style="list-style-type: none"> • Recommendations are repeatedly not implemented within agreed timescales • Concern that medium priority audit recommendations (which we currently do not follow-up systematically) are not being implemented – possibly due to lack of threat of Audit Committee attendance • Audit follow-up process is currently a manual administrative process which can cause frustration with auditees. 	<ul style="list-style-type: none"> • New approach to follow-ups agreed with Chief Executive. • Monthly prompt circulated by audit with quarterly push from the Chief Executive on our behalf. • Any outstanding recommendations in advance of quarterly reporting – those responsible to be called to SCB or meeting with Chief Exec to give update • Investigating software options with Performance & Risk Management who are going out to procurement to replace JCAD. This would enable the follow-up process to be less burdensome and would also give us capacity to follow-up a sample of Medium priority recommendations within our current budget.

2. Finance

2.1 Revenue

Description	Variations				Comments	% Variation of revised budget
	Original Budget	Revised Budget	outturn	Variation		
	£000	£000	£000	£000		
Elections	348	357	357	-		0.0%
Assurance Management	565	580	589	8		1.4%
Governance	2,144	2,156	2,157	-		0.0%
Internal Audit & CAFT	736	754	744	(10)		-1.3%
Total	3,793	3,847	3,846	(1)		0.0%

2.2 Capital

N/A

3. Performance

3.1 Overview of performance for Corporate Plan and Service indicators

This service does not report on any indicators

4. Key Actions

This service does not report on any key actions

5. Customer Experience

This service does not report on any customer experience data

6. Risk

The 5 X 5 matrix (heat map) below shows the residual risk assessment (probability and impact scores) for each risk.

Score:		LIKELIHOOD					
		1	2	3	4	5	
		Rare	Unlikely	Possible	Likely	Almost Certain	
IMPACT	5	Catastrophic					
	4	Major		5			
	3	Moderate			10		
	2	Minor			3		
	1	Negligible					

Risk Commentary:

There are no risk's at Assurance Group Level rated 12+

To ensure that the controls in place are effective and appropriately managed risks are reviewed monthly at Assurance Group Management Meetings.

During this quarter no risks are considered appropriate to escalate to the Corporate Risk Register.

7. Equalities

The service does not report on any equality data.