

	<p style="text-align: center;"><b>Audit Committee</b> 18<sup>th</sup> December 2007</p> <p style="text-align: center;"><b>Report from the Director of Finance and Corporate Resources</b></p>
<p>For Information <span style="float: right;">Wards Affected: ALL</span></p>	
<p><b>Report Title: 2<sup>nd</sup> Internal Audit Progress Report 2007/08</b></p>	

**1. Summary**

1.1. +

**2. Recommendations**

2.1. That the Audit Committee note the progress made in achieving the 2007/08 Internal Audit Plan.

**3. Detail**

**Performance against Plan**

3.1 The overall Internal Audit Plan for 2007/08 comprises 1224 days, of which 874 have been allocated to Deloitte & Touche Public Sector Internal Audit Limited, and 350 to the in-house team.

3.2 As at the end of quarter 2 (30<sup>th</sup> September 2007), a total of 540 days had been delivered against the overall plan. This was made up of 353 Deloitte days and 187 in-house days. This represents 44% of the Plan. The total forecast days to the end of quarter 3 are 755 days, comprising 498 Deloitte days and 257 in-house days. This will represent 62% of the plan.

3.3 As at the end of November 2007, a total number of 722 days had been delivered made up of Deloitte days and 242 in-house days.

3.4 The following table indicates progress on audit plan areas in the 2007-08 financial year (a summary of audits completed to date is attached as Appendix 1:

<b>Audit Title</b>	<b>Plan Days</b>	<b>Status as at 30 November 2007</b>	<b>Quarter (provisional)</b>	<b>Days delivered as at 30 November 2007 (estimated where fieldwork is in progress and not yet at draft report stage)</b>
<b><u>2006/07 Audits b/fwd</u></b>				
<b><i>Brentin2Work</i></b>	<b>15</b>	<b><i>Draft Report</i></b>	<b>1</b>	<b>25</b>
<b><i>Schools</i></b>	<b>10</b>	<b><i>Finalisation of 2006/07 audit reports. Complete.</i></b>	<b>1</b>	<b>10</b>
<b><u>Grant Claims</u></b>				
<b><i>Local Area Agreements (LAA) Grant Certification</i></b>	<b>15</b>	<b><i>Grant Claim Certified</i></b>	<b>1</b>	<b>10</b>
<b><i>LAA – Review of Internal Control Environment</i></b>	<b>0</b>	<b><i>4 Final Reports</i></b>	<b>1 &amp; 2</b>	<b>20</b>
<b><u>Finance &amp; Corporate Resources</u></b>				
<b><i>Budget Monitoring &amp; Control</i></b>	<b>15</b>	<b><i>Draft Report</i></b>	<b>1</b>	<b>15</b>
<b><i>Review of Internal Financial Controls and Financial Procedures</i></b>	<b>15</b>	<b><i>Audit to be undertaken in quarter 4.</i></b>	<b>4</b>	<b>0</b>
<b><u>Main Financial Systems</u></b>				
<b><i>Cashiers / Cash &amp; Banking – New Arrangements</i></b>	<b>8</b>	<b><i>Audit to be undertaken in December 2007 following the implementation of the new cashier's arrangements.</i></b>	<b>4</b>	<b>0</b>
<b><i>Housing / Council Tax Benefits</i></b>	<b>20</b>	<b><i>Draft Report</i></b>	<b>3</b>	<b>20</b>
<b><i>Council Tax</i></b>	<b>20</b>	<b><i>Audit to be undertaken in quarter 4.</i></b>	<b>3</b>	<b>0</b>

<b>Audit Title</b>	<b>Plan Days</b>	<b>Status as at 30 November 2007</b>	<b>Quarter (provisional)</b>	<b>Days delivered as at 30 November 2007 (estimated where fieldwork is in progress and not yet at draft report stage)</b>
<b>Pensions</b>	<b>15</b>	<b>Final Report</b>	<b>1</b>	<b>15</b>
Payroll / HR	15	Audit to be undertaken after implementation of new system.	4	0
VAT	5	Planning meeting to be arranged	3	0
<b><u>Other Corporate Reviews</u></b>				
<b>Election Expenses</b>	<b>10</b>	<b>Final Report</b>	<b>1</b>	<b>10</b>
Review of Internal Financial Controls	15	Audit to be undertaken in quarter 4.	4	0
<b><u>Cross Cutting Reviews</u></b>				
<b>Risk Management and Risk Registers</b>	<b>20</b>	<b>Draft Report</b>	<b>All quarters</b>	<b>10</b>
<b>SIC</b>	<b>5</b>	<b>Completed. Report to audit Committee.</b>	<b>1</b>	<b>5</b>
<b>Corporate Governance Review</b>	<b>10</b>	<b>Completed.</b>	<b>1</b>	<b>10</b>
<b>Review of System of Internal Control – Audit &amp; Account Regulations 2006</b>	<b>5</b>	<b>Completed.</b>	<b>1</b>	<b>5</b>
<b>Comprehensive Performance Assessment (CPA) – Use of Resources</b>	<b>7</b>	<b>Verification testing completed. Utilised to complete the SIC.</b>	<b>1</b>	<b>7</b>
<b>CPA – Use of Resources – Assurance Framework</b>	<b>5</b>	<b>Existing documentation reviewed. Proposed Framework completed.</b>	<b>1</b>	<b>1</b>
Business Continuity Planning / Civil	15	Audit to be undertaken in January 2008 once new BCP framework in place.	4	0

<b>Audit Title</b>	<b>Plan Days</b>	<b>Status as at 30 November 2007</b>	<b>Quarter (provisional)</b>	<b>Days delivered as at 30 November 2007 (estimated where fieldwork is in progress and not yet at draft report stage)</b>
Contingencies Act / Emergency Plan				
<b>Contract Audits &amp; Procurement</b>	<b>60</b>	<b>Alperton Underpinning – Final Report</b> <b>Potholes within Highways – Draft Report</b> <b>Further contracts to be audited in 4<sup>th</sup> quarter.</b>	<b>All quarters</b>	<b>33</b>
<b>Children &amp; Families</b>				
<b>Recoupment</b>	<b>10</b>	<b>Draft Report</b>		<b>10</b>
<b>Voluntary &amp; Private Looked After Children Placements</b>	<b>15</b>	<b>Draft Report</b>	<b>2</b>	<b>15</b>
<b>Nurseries</b>	<b>15</b>	<b>See Schools</b>	<b>2/3</b>	<b>10</b>
<b>Home to School Transport</b>	<b>15</b>	<b>Draft Report</b>	<b>3</b>	<b>15</b>
<b>Schools</b>	<b>150</b>	<b>Final Reports for:</b> <ul style="list-style-type: none"> <li>• <b>St. Josephs R.C Infants School</b></li> <li>• <b>Vernon House Special Needs School.</b></li> <li>• <b>Mount Stewart Junior School</b></li> <li>• <b>Key Stage 3 Pupil Referral Unit</b></li> </ul> <b>Draft Reports</b> <ul style="list-style-type: none"> <li>• <b>Wembley High Technology College</b></li> <li>• <b>Avigdor Hirsch Torah Temimah Primary School;</b></li> </ul>	<b>All quarters</b>	<b>85</b>
Review of Internal Financial Controls	15	Other audit work to be undertaken in quarter 4.	4	10

<b>Audit Title</b>	<b>Plan Days</b>	<b>Status as at 30 November 2007</b>	<b>Quarter (provisional)</b>	<b>Days delivered as at 30 November 2007 (estimated where fieldwork is in progress and not yet at draft report stage)</b>
<b><u>Environment &amp; Cultural Services</u></b>				
Parking Enforcement – Systems Review	15	Work In Progress	3	13
TFL – Capital Schemes – Implementation of	15	Planning meeting to be arranged.	4	0
Brent Adult Community Education Service (BACES)	15	Work In Progress	3	7
<b><i>Planning Applications</i></b>	<b>15</b>	<b><i>Final Report</i></b>	<b>1</b>	<b>25</b>
Street Lighting Private Finance Initiative (PFI)	15	Awaiting copy of PWC report in this area from Environment & Culture so as to determine whether this audit is required.	To be determined	0
Review of Internal Financial Controls	15	Audit to be undertaken in quarter 3/4.	3/4	0
<b><u>Housing &amp; Community Care</u></b>				
<b><u>Housing</u></b>				
<b><i>Supporting People – Contracts and Management of</i></b>	<b>15</b>	<b><i>Draft Report</i></b>	<b>2</b>	<b>15</b>
Housing Allocations	15	Planning meeting to be arranged.	4	0
Private Housing Information Unit	15	Planning meeting to be arranged.	4	0
Review of Internal Financial Controls	15		3/4	0
<b><u>Community Care</u></b>				
<b><i>Grants to Voluntary Organisations</i></b>	<b>10</b>	<b><i>Draft Report</i></b>	<b>1</b>	<b>10</b>

<b>Audit Title</b>	<b>Plan Days</b>	<b>Status as at 30 November 2007</b>	<b>Quarter (provisional)</b>	<b>Days delivered as at 30 November 2007 (estimated where fieldwork is in progress and not yet at draft report stage)</b>
<b>Older People – Residential Placements or Care Packages</b>	<b>15</b>	<b>Draft Report</b>	<b>2</b>	<b>15</b>
<b>Adult Care Packages (Learning Disabilities)</b>	<b>15</b>	<b>Final Report</b>	<b>1</b>	<b>15</b>
Review of Internal Financial Controls	15	Draft Report to be Issued	3	14
<b><u>IT Audits</u></b>				
<b><u>Financial Services</u></b>				
<b>View360 EDM – Benefits system</b>	<b>10</b>	<b>Final Report</b>	<b>2</b>	<b>10</b>
<b>NNDR – Academy</b>	<b>10</b>	<b>Draft Report</b>	<b>2</b>	<b>10</b>
<b>Payroll / HR System – Project Implementation Review</b>	<b>15</b>	<b>Final Report</b>	<b>2</b>	<b>15</b>
<b>Oracle Financials</b>	<b>10</b>	<b>Final Report</b>	<b>1</b>	<b>10</b>
Oracle Financials Migration – C & F	10	Audit to be replaced due to Migration by C & F to Oracle Financials	4	0
<b>Epicor Financials</b>	<b>10</b>	<b>Final Report</b>	<b>2</b>	<b>10</b>
<b><u>Corporate Support</u></b>				
<b>NonStopGov</b>	<b>10</b>	<b>Draft Report</b>	<b>2</b>	<b>10</b>
<b><u>Communications and Student Support</u></b>				
<b>IDEAR – Pupil Management</b>	<b>10</b>	<b>Final Report.</b>	<b>1</b>	<b>10</b>
<b><u>Security and Control Reviews</u></b>				
Internet/Intranet and Email	10	Will not now be undertaken due to delays in migration to	n/a	0

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		Microsoft Platform		
<b><u>Operating Systems</u></b>				
Windows	7	Audit replaced with Other	2/3	0
<b><u>New Developments</u></b>				0
Client Index	10	Audit arranged for 3 <sup>rd</sup> quarter	3	0
IT Network Infrastructure – Data Centres	10	Now unlikely to be undertaken in current financial year due to delays in implementation of project	4	0
<b><i>GIS Environment</i></b> –	<b>10</b>	<b><i>Draft Report</i></b>	<b>4</b>	<b>10</b>
Bankline Implementation	11	Initial memo produced. Additional work to be undertaken once system has been implemented.	4	3
				0
<b><u>Follow-Up Audits</u></b>				0
Register of Interests / Gifts & Hospitality - Officers	5	To be arranged	3	0
Register of Interests / Gifts & Hospitality - Members	5	To be arranged	3	0
Direct Payments	5	To be arranged	4	
National Non-Domestic Rates (NNDR)	5	To be arranged	4	
Treasury Management & Investments	5	To be arranged	4	
Members Expenses	5	Draft Report	1	1
Follow-Up of 2006/07 Audits	20	To be arranged	4	0

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<b>BHP Audits</b>			<b>1/2/3/4</b>	
<b>Watling Gardens Tenant Management Organisation (TMO)</b>	<b>5</b>	<b>Final Report</b>	<b>2</b>	<b>5</b>
<b>Watling Gardens TMO – Review</b>	<b>15</b>	<b>Final Report</b>	<b>1/2</b>	<b>20</b>
<b>Managing Anti-Social Behaviour</b>	<b>12</b>	<b>Draft Report in Progress</b>	<b>2</b>	<b>15</b>
<b>Complaints Audit</b>	<b>6</b>	<b>Final Report</b>	<b>2</b>	<b>6</b>
<b>Housing Rents</b>	<b>15</b>	<b>Draft Report</b>	<b>3</b>	<b>15</b>
<b>Housing Repairs/Maintenance</b>	<b>15</b>	<b>Draft Report</b>	<b>2</b>	<b>15</b>
Community Initiatives	12	Postponed till 4	4	0
Registers of Interest Gifts and Hospitality	10	Draft Report in Progress – Members Officers – Draft Report	3/4	12
Corporate Governance	4	Follow Up	4	0
<b>Other</b>				
Other	80		All quarters	55
Contingency / Ad Hoc Advice	79	Risk Management Follow-Up Draft Report and Foundation Schools plus Other	All quarters	35
<b>Total</b>	<b>1224</b>			<b>722</b>

3.5 A number of reports are still currently in draft and once finalised will be reported to the next meeting for the Audit Committee. For reports in still in draft these are currently being discussed with management.

#### 4. Financial Implications

4.1. None



**5. Legal Implications**

5.1. None

**6. Diversity Implications**

6.1. None

**7. Background Papers**

1. REPORT FROM THE DIRECTOR OF FINANCE - INTERNAL AUDIT PLAN; JOINT AUDIT & INSPECTION PLAN for 2007/08, *Audit Committee* – 26 April 2007.

**8. Contact Officer**

Any person wishing to inspect these documents should contact Max Gray, Finance and Corporate Resources, Room 107, Brent Town Hall, Forty Lane, Wembley, Middlesex HA9 9HD. Tel. 020 8937 1464.

**Duncan McLeod**  
**Director of Finance and Corporate Resources**