



**Internal Audit
Progress Report 2010/11
London Borough of Brent
December 2010**

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Executive Summary






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| Introduction | <p>This report sets out a summary of the work completed against the 2010/11 Internal Audit Plan for the financial year to date, together with an update on any 2009/10 reports outstanding at the time of the last meeting.</p> <p>In the report we provide a summary of the main findings from each audit together with the assurance ratings for each one. This summary and assurance rating is only reported on once the individual audit reports have been finalised. We have also indicated where draft reports have been issued and are in the process of being agreed with management, or where audit fieldwork is currently in progress.</p> <p>Also set out, at Appendix B, is the full year's Plan, as agreed by the Committee in March 2010, together with an indication of progress at the individual audit level. This allows the Committee to monitor changes to the Plan during the course of the year and to provide comment, where appropriate, on the potential addition of any specific audits.</p> |
| Summary of progress against the Plan | <p>The Internal Audit Plan for 2010/11 comprises 1,201 days, of which 941 are allocated to Deloitte & Touche Public Sector Internal Audit Limited (Deloitte PSIA), and 260 to the in-house team. Of the total, 59 days were carried forward from 2009/10. The reasons for this were set out within the Plan presented to the March 2010 meeting.</p> <p>As at the end of November 2010, a total of 570 days had been delivered against the overall Plan, made up of 430 Deloitte PSIA days and 140 in-house days. This represents 47% of the Plan.</p> <p>In terms of the profile for 2010/11, in so far as it had been possible to allocate audits to a specific quarter prior to the start of the year, the majority of these have been progressed as planned. Although delivery is behind profile when compared to an even twelve month split, specific target percentages were not agreed for each quarter given that it had not been possible to profile all audits.</p> <p>As has been the case in previous years, an even profile is not considered to be realistic. One reason is that there is a requirement for financial systems to be audited towards the end of the year, in order for our sample testing to cover a significant proportion of the accounting period and hence to satisfy the Audit Commission's assurance needs. In addition, for 2010/11, given that the Plan has been aligned to many of the developments taking place as part of the One Council programme, a further key factor in the timing of our work is the status of implementation of each of these developments. We are currently reviewing the Plan in order to determine whether further changes are now required in certain areas, on the basis that internal audit work is not now considered relevant. More specifically, as part of our initial</p> |

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| | <p>audit plan we had intended to undertake a systems review of Parking. However this audit was postponed because of a review of Parking by an external consultant. The consultant's report has only recently been issued and we are in the process of arranging to meet with management in order to establish the scope of internal audit work in this area in order to avoid duplication. In addition, we had also planned to undertake an adequacy assessment of the revised Procurement Strategy which is also a One Council Gold Project. However this strategy has yet to be provided. If we are unable to undertake this work, we will identify alternative areas in which to undertake work, so as to ensure that the total planned days are delivered by year-end. Appendix B can be referred to for the detailed progress by audit, together with the changes made to the Plan to date.</p> |
| | |
| <p>Summary of Work Undertaken</p> | <p>A number of systems audits have been completed and are in progress across the Council. At the last Committee meeting, we reported that as part of our focus on key developments, we have undertaken work in relation to the Corporate Property Review and Self Directed Support. In addition to these, we have now undertaken work in relation to reablement which forms part of the Adult Social Care Transformation Programme.</p> <p>Computer audit work is also progressing, at the time of last Committee meeting we reported that the first piece of work was completed to assess the adequacy of controls that were being planned surrounding the migration to the Single Accounting System. A second piece of work has now been undertaken to assess the extent to which the controls were operated effectively.</p> <p>The final key area of work has been in relation to schools. At the time of last Committee meeting we reported that the draft reports and FMSiS assessment outcomes for secondary schools were on hold whilst the issues regarding leasing arrangements are investigated. The work relating to leasing arrangements was completed and a number of issues were highlighted in respect of Value For Money and compliance with the Financial Regulations. On the 15th November, the Government announced the decision to end the current Financial Management Standard in Schools (FMSiS) with immediate effect and develop a simpler standard as a replacement.</p> <p>Following this announcement, we will combine the recommendations from FMSiS and Internal Audit programme into one combined report for the schools where we have already completed the FMSiS assessments and Internal Audit work. In future, we will proceed with our scheduled school visits but will focus on the Internal Audit programme with extended coverage in some areas. We are now rolling out our work to primary schools with approximately 12 to be covered under 2010/11 plan.</p> |

Summary of Assurance Opinions and Direction of Travel




For the work finalised against the 2010/11 Internal Audit Plan to date, a summary of the Assurance Opinions awarded is set out in the table below, together with a comparison to the 2009/10 and 2008/09 financial years. Please note that an Assurance Opinion is not applicable in all cases and we have not included BHP audits within this analysis. Please see page 7 for the definitions of each of these opinions.

N.B. The figures for 2009/10 have been updated since the previous meeting to take account of the additional reports that have since been finalised. The proportion of 'Substantial' opinions has now improved from the position reported previously.

| | Full   | Substantial  | Limited  | None  |
|----------------|---|---|---|--|
| 2008/09 | - | 78% (21) | 22% (6) | - |
| 2009/10 | - | 61% (25) | 39% (16) | - |
| 2010/11 | - | 80% (8) | 20% (2) | - |

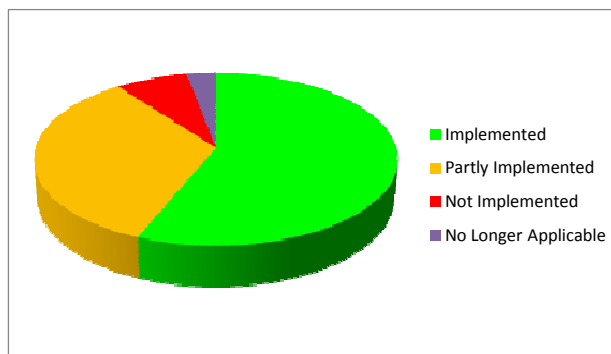
In addition, in any cases where an internal audit has been completed against the same scope in a prior year, an assessment of the Direction of Travel is also provided. As shown in the table below, there have been three audits finalised for the year to date for which such an assessment has been applicable. Please see page 8 for the definitions of the Direction of Travel.

N.B. As above, the figures for 2009/10 have been updated since the previous meeting.

| | Improved  | Unchanged  | Deteriorated  |
|----------------|--|---|--|
| 2008/09 | 8 | 1 | - |
| 2009/10 | 6 | 9 | - |
| 2010/11 | 3 | 1 | - |

Overall, for the work finalised for 2010/11 to date, there has been a positive movement in the spread of assurance opinions. Where applicable, the Direction of Travel assessment has also been positive.

| | |
|---|--|
| FMSiS Assessments | As mentioned above, FMSiS Assessments ceased as of November 2010. |
| Follow-Up of Previously Raised Recommendations | <p>We further developed our approach to follow-up work during 2009/10. Under the revised approach, management are responsible for completing a self assessment of the status of implementation of each of the recommendations originally raised, following the passing of the agreed deadlines for implementation. If management indicate that the recommendations have been implemented then we arrange to meet with them to verify this, following which a report will be issued with our findings. If it is found that the recommendations have not been fully implemented, either through verification, or as indicated by management in their self assessment, then further actions will be identified as necessary and revised deadlines for completion will be agreed with management.</p> <p>In all cases, where recommendations have not been fully implemented, the further actions will continue to be followed-up until the point at which full implementation is confirmed. The follow-up programme is now a rolling one as opposed to being restricted to an individual financial year. On this basis, the recommendations raised as part of a specific audit may be followed-up more than once in a single financial year, as well as potentially being followed-up in the same financial year to that in which the audit was undertaken. This has improved the efficiency of the follow-up process, and will also improve the extent to which management recognise the importance of undertaking their own monitoring of the implementation of recommendations.</p> <p>The rolling programme is now fully in place and recommendations are being followed up with management, as and when the deadlines for implementation pass.</p> <p>A breakdown of the follow-up work undertaken throughout the year is provided on page 23 of this report. The current level of implementation is detailed in the chart below. Overall, 94% of recommendations had either been fully or partly implemented, or are no longer applicable due to changes in the scope of operations. Of the priority 1 recommendations, 100% had either been fully or partly implemented.</p> |



Customer Satisfaction

In addition to progress against the Plan, a key way in which the performance of Internal Audit is monitored is through the issuing of Customer Satisfaction Surveys following the completion of each piece of work.

Six completed questionnaires have been received to date in relation to the work undertaken in 2010/11. On the basis of these, feedback has been 'Excellent' as shown below.

The detailed breakdown of this feedback is set out on page 27 this report.

| Year | Average Overall Rating |
|-------------------|------------------------|
| 2008/09 | 4.4 |
| 2009/10 | 4.1 |
| 2010/11 (to date) | 4.7 |

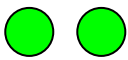



Detailed summary of work undertaken

We set out in this section, a summary of the internal audits and FMSIS assessments commenced since 1 April 2010, together with any 2009/10 reports that were reported as still to be finalised at the time of the last Audit Committee meeting. A summary of the main findings and the Assurance Opinion are provided for internal audits for which the final report has been issued. Please note that we list out any priority 1 recommendations raised, but only make reference to the number of priority 2 and 3 recommendations raised. Should Members wish to see full reports for any of the audits then these can be provided upon request.

For Members' reference, the following tables provide the definitions of our assurance opinions, together with the definitions for our recommendation priorities. Please note that these only apply to internal audit work, not to FMSIS assessments. The outcomes of the FMSIS assessments are explained separately later in this section of the report.

Assurance Opinions




We have four categories by which we classify internal audit assurance over the processes we examine, and these are defined as follows:

| | | |
|---|--------------------|---|
|  | Full | There is a sound system of internal control designed to achieve the client's objectives. The control processes tested are being consistently applied. |
|  | Substantial | While there is a basically sound system of internal control, there are weaknesses, which put some of the client's objectives at risk. There is evidence that the level of non-compliance with some of the control processes may put some of the client's objectives at risk. |
|  | Limited | Weaknesses in the system of internal controls are such as to put the client's objectives at risk. The level of non-compliance puts the client's objectives at risk. |
|  | None | Control processes are generally weak leaving the processes/systems open to significant error or abuse. Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse. |

The assurance gradings provided above are not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board and as such the grading of 'Full Assurance' does not imply that there are no risks to the stated objectives.

Direction of Travel

The Direction of Travel assessment provides a comparison between the current assurance opinion and that of any previous internal audit for which the scope and objectives of the work were the same.

| | |
|---|---|
|  | Improved since the last audit visit. Position of the arrow indicates previous status. |
|  | Deteriorated since the last audit visit. Position of the arrow indicates previous status. |
|  | Unchanged since the last audit report. |
| No arrow | Not previously visited by Internal Audit. |

Recommendation Priorities

In order to assist management in using our internal audit reports, we categorise our recommendations according to their level of priority as follows:

| | |
|-------------------|--|
| Priority 1 | Major issues for the attention of senior management and the audit committee. |
| Priority 2 | Important issues to be addressed by management in their areas of responsibility. |
| Priority 3 | Minor issues resolved on site with local management. |

Summary Table


Where audits are part of the Internal Audit Plan with Brent Housing Partnership (BHP), we have indicated the Assurance Opinion for any finalised reports, but the summary of findings is not provided as this will / has been reported on separately to the BHP Audit & Finance Sub-Committee.

At the time of the previous meeting, a number of 2009/10 reports had yet to be finalised. Where this has now occurred we have included these within the table below. However, as set out on page 15, there are still a number of 2009/10 reports at Draft stage, where management responses have not been provided.


New audit being reported as final – 2009/10 Audits


| Audit | Status as at 2 December 2010 | Assurance Opinion | |
|-------------------------------|---|-------------------|-----|
| Government Procurements Cards | <p>We raised four priority 1 recommendations as a result of this audit. These were as follows:</p> <ul style="list-style-type: none"> A set of deadlines should be agreed for the completion of the current data analysis exercise being undertaken by the Purchasing Analyst and the reporting of this to SFG. <p>If issues are being experienced in terms of the Purchasing Analyst being able to obtain the required information from Service Areas, this should be escalated to the Director or Deputy Director of Finance for dealing with.</p> <p>Once reported, it is suggested that SFG should agree the actions needed with regards to increasing the number of embedded cards with suppliers, as well as any other opportunities or issues arising.</p> <ul style="list-style-type: none"> Management should determine and formally document a framework in respect of the monitoring and analysis needed on card usage going forwards. <p>In both cases, the following elements should be considered:</p> <ul style="list-style-type: none"> What monitoring and analysis is needed <i>(taking account of both the compliance aspects and the levels of usage amongst existing card</i> | N/A | N/A |


| Audit | Status as at 2 December 2010 | Assurance Opinion | |
|-------|--|-------------------|--|
| | <p><i>holders with regards to 'monitoring', and the opportunities for increasing usage with regards to 'analysis');</i></p> <ul style="list-style-type: none"> ○ Who will be responsible for this; ○ What information will be needed to undertake the monitoring / analysis; ○ What are the outputs required; and ○ How often are these outputs needed. <p>It is suggested that this framework is reviewed and approved by SFG, prior to being circulated to all relevant officers.</p> <p>In addition, it is recommended that SFG should seek to determine a set of targets with regards to the numbers of cardholders / embedded cards and the level of turnover to be achieved, so as to give additional focus to the monitoring and analysis activities. Performance against these targets should be monitored as part of the high level monitoring information reviewed at SFG.</p> <ul style="list-style-type: none"> ● Management should review and clarify the requirements in respect of the GPC's exemption from the purchase order process. Once agreed, this should be clearly communicated to all relevant staff and the GPC related documents, including guidance materials, should be updated to reflect this. It should also be ensured that the clarified procedure is reflected in the Process Definition Document (PDD) which is being developed as part of the Finance Modernisation Project. ● A formal procedure should be documented, to cover all checks requiring completion by the Service Unit finance teams/officers on the paperwork submitted by cardholders each month. <p>It is suggested that this procedure is reviewed and approved by SFG, prior to being circulated to all relevant officers.</p> <p>In addition, a list of authorised signatories should be compiled to cover all cardholders, and this should also be circulated to relevant Service Unit finance teams/officers.</p> | | |




| Audit | Status as at 2 December 2010 | Assurance Opinion | |
|--------------------|---|-------------------|---|
| | No further recommendations were raised as a result of this work. All of our recommendations were accepted for implementation by management. | | |
| Kilburn Square TMO | Final Report Issued. This report has been presented to BHP's Finance & Audit Sub-Committee | Limited |  |

New audits being reported as final – 2010/11 Audits

| Audit | Status as at 2 December 2010 | Assurance Opinion | |
|--------------------------------------|---|-------------------|---|
| | | | |
| Local Area Agreement Data Management | <p>We raised two priority 1 recommendations as a result of this audit. These were as follows:</p> <ul style="list-style-type: none"> Where management are reliant on data provided by external organisations, a formal agreement should be entered into detailing specific requirements, including but not limited to: <ul style="list-style-type: none"> Type; Quantity; and Frequency of data to be provided. <p>In addition, agreements should specify any controls which the external organisation should have in place regarding quality assurance, and confirmation of any checks which the Council will have a right to undertake, i.e. a right to audit.</p> <p>In such cases, management should determine whether assurances should be obtained from completing sample checks on source information provided. Alternatively, audit / assurance reports from the external organisation could be obtained and examined as a source of some assurance over the accuracy, completeness and validity of the data provided; and</p> | Substantial |  |


| Audit | Status as at 2 December 2010 | Assurance Opinion | |
|------------------------------|--|-------------------|---|
| | <ul style="list-style-type: none"> Evidence of data validation and quality assurance checks, undertaken by the Performance Officers / Service Units and/or by the external organisations providing data, should be maintained in all cases. <p>Two priority 2 recommendations were also raised where changes can be made in order to achieve greater control.</p> <p>All of our recommendations were accepted for implementation by management.</p> | | |
| Business Continuity Planning | <p>We raised one priority 1 recommendations as a result of this audit. These were as follows:</p> <ul style="list-style-type: none"> The current status regarding the introduction of a clause into the contracts for key suppliers / contractors and partners, should be clarified. <p>The Procurement Guidance should also be updated with the LAP guidelines for procurement.</p> <p>In addition, the Head of Emergency Planning & Business Continuity and the Head of Procurement Strategy & Risk Management should determine the approach to be taken with regards to gaining assurance on the viability of suppliers' / contractors' / partners' business continuity arrangements, as well as on the ongoing adequacy and effectiveness of these.</p> <p>It will be necessary to ensure that the clauses to be included within contracts / partnership agreements fully reflect the agreed approach in terms of the requirements regarding any information to be provided to the Council and the Council's rights of access regarding additional information. Consideration should also be given to the way in which such requirements are communicated to prospective suppliers / contractors / partners prior to the stage of drawing up contracts / partnership agreements, e.g. at the Invitation to Tender stage.</p> <p>Four priority 2 recommendations were also raised where changes can be made in order to achieve greater control.</p> | Substantial |  |

| Audit | Status as at 2 December 2010 | Assurance Opinion | |
|---------------------------|--|-------------------|---|
| | <p>All of our recommendations were accepted for implementation by management.</p> <p>Overall, the assurance opinion is unchanged since the time of our previous audit in 2008/09. We have also shown the Direction of Travel as being unchanged. However, as such, we would have expected there to have been a positive movement given that this has been an area of ongoing development, and given that management had specifically identified further controls as being in the process of implementation at the time of the previous audit. A number of those actions/controls previous described to us as being in progress have been found to have not been fully implemented as planned, and/or were not as comprehensive as previously described. It is acknowledged that progress has been made in some areas, but the recommendations and further actions raised should now be focused on.</p> | | |
| Sports and Leisure Centre | <p>We have raised two priority 1 recommendations as a result of this audit. These were as follows:</p> <ul style="list-style-type: none"> • The MRM report should be submitted to FSC to supplement the bank reconciliation process. Management should determine whether the MRM report can be modified to provide the information required by FSC to make inputs onto Oracle and to undertake the reconciliation. In the meantime and if the MRM report cannot be modified to fully satisfy the information needs, then management should liaise with FSC so that FSC are aware of the need to confirm the accuracy and completeness of the manual spreadsheet against the MRM report when inputting data onto Oracle and as part of bank reconciliation process. • Staff should be reminded of the need to input voucher sales onto the system. In addition, the Operations Managers should regularly monitor the compliance with the required process and remedial actions should be sought for any repeated non compliance. <p>Four priority 2 and one priority 1 recommendations were also raised where changes can be made in order to achieve greater control.</p> <p>All of our recommendations were accepted for implementation by</p> | Substantial |  |


| Audit | Status as at 2 December 2010 | Assurance Opinion | |
|-------------------------------|--|-------------------|--|
| | <p>management.</p> <p>A formal Direction of Travel Assessment has not been provided in this case as our previous internal audit work focused solely on BPCLC and no assurance opinion was provided.</p> <p>However, it is positive to note that management have made a number of changes to improve the control environment. The changes include the termination of catering and bar operations and outsourcing the vending machine management thereby reducing the risk of stock and income mismanagement. The details of the current control process can be found in the summary of findings.</p> | | |
| Oracle Database Security (IT) | We have not raised any priority 1 recommendations as a result of this audit. However six priority 2 and two priority 3 recommendations were raised where changes can be made to achieve greater control. | Substantial |  |
| Self Directed Support | <p>We raised five priority 1 recommendations as a result of this audit. These were as follows:</p> <ul style="list-style-type: none"> It is recommended that the SDS Questionnaire and financial assessment forms should be amended to include the following: <ul style="list-style-type: none"> I understand that I am responsible for the accuracy of the information contained in this form. I confirm that the details I have stated in relation to my circumstances are true and correct and that if this situation changes in any way I will notify Brent Council immediately. I understand that the payments I receive are assessed on the basis of the information given on this form. <p>I realise that I may be committing a criminal offence by giving false or misleading details, or withholding information in order to receive payments from Brent Council and that if I provide information which I know to be false, I may be liable to prosecution.</p> <p>In addition, the following should also be added to each remittance advice for direct payments:</p> | Limited |   |

| Audit | Status as at 2 December 2010 | Assurance Opinion | |
|-------|--|-------------------|--|
| | <ul style="list-style-type: none"> ○ The recipient is reminded that they are responsible for immediately informing the Council of any changes to their existing circumstances. Your understanding and acceptance of this was formally declared on completion of the SDS Questionnaire. You may be liable to prosecution if you fail to inform the council of a change in your circumstances which affects your entitlement. • The following points should be considered in the development of the RAS, including at the implementation and post implementation stages. It should be noted that this may not be an exhaustive list: <ul style="list-style-type: none"> ○ The sample used, ensuring that it matches the profile of clients in Brent; ○ The level of testing required and the test methodology used to gain assurance that the RAS is effective. This may include using completed SDS Questionnaires and comparing allocations to the actual cost of care provided; ○ An exception process for cases where the RAS allocation is not sufficient or is excessive. This process could include Quality Assurance Panel approval; and ○ The timeframe by which allocations should be reviewed by the Quality Assurance Panel and whether all allocations should be reviewed initially or whether a sample basis is acceptable. • The following points should be considered in the development of the brokerage scheme. It should be noted that this may not be an exhaustive list: <ul style="list-style-type: none"> ○ The need to involve current brokers in the development of a central team; ○ The need for specialist officers in the brokerage team for specific types of clients, e.g. Learning Disability and Physical Disability specialists; ○ How cases that require brokerage are to be determined by Team Managers and how consistency will be ensured; | | |

| Audit | Status as at 2 December 2010 | Assurance Opinion | |
|-------|--|-------------------|--|
| | <ul style="list-style-type: none"> ○ The location of the brokerage team in relation to Team and Care Managers. If they are not in the same location, management need to determine whether this will impact on the effectiveness of the service; ○ The need to formalise the monitoring of cases passed to the brokerage team, in terms of quality and timeliness; and ○ The need to complete a lessons learnt review from the experiences in Learning Disabilities. • The required documentation for DP should be clarified and communicated to staff. <p>Management should determine whether it would be appropriate to combine the current documents that are in place, including:</p> <ul style="list-style-type: none"> ○ Direct Payment Agreement; ○ Direct Payment Approval Form; and ○ Direct Payment Finance Authorisation. <p>Further, it is recommended that staff are reminded of the need to complete the Direct Payment Agreement form and that these should be uploaded onto the Frameworki system.</p> <p>In addition, management should review the position with regards to the review of returns and ensure that reports of outstanding returns are run and followed up on a monthly basis. Actions should be agreed in order to clear the current backlog of returns and arrangements should be confirmed in respect of ensuring that returns are reviewed in a complete and timely manner going forwards. If these arrangements involve reviewing returns on the basis of a risk rating for each case, this should be discussed with the Head of Audit & Investigations so as to help ensure that fraud risks are adequately addressed.</p> <ul style="list-style-type: none"> • The performance management process for individual staff and teams in respect of care reviews should be formalised. This should include the use of defined targets and monitoring against these. Actions should be agreed to address any instances where targets are not being met. | | |

| Audit | Status as at 2 December 2010 | Assurance Opinion | |
|----------------|--|-------------------|---|
| | <p>In addition, it is also recommended that timeframes should be defined and monitored against for various stages of the SDS process, including detective checks of outstanding items. These may include, but are not necessarily limited to, the following:</p> <ul style="list-style-type: none"> ○ Outstanding Contact Assessments following referrals; ○ Outstanding six week reviews/SDS Questionnaires; ○ Outstanding Support Plans and Personal Budgets; ○ Cases where the provision of support is yet to be provided (where necessary); and ○ Outstanding scheduled/unscheduled reviews. <p>Five priority 2 recommendations were also raised where changes can be made in order to achieve greater control.</p> <p>All of our recommendations were accepted for implementation by management.</p> <p>As such, we didn't provide an assurance opinion when we last audited SDS, but a Limited Assurance was given in respect of Direct Payments. Although the previously raised recommendations have not yet been fully implemented in all cases, there has been overall progression with regards to the development and implementation of SDS, and it is acknowledged that the overall ASC Transformation Programme has been subject to revision since our 2008/09 work.</p> | | |
| Copland School | <p>We have raised five priority 1 recommendations as a result of our work. These are as follows:</p> <ul style="list-style-type: none"> • The School should develop detailed financial policies and procedures. These should include but are not limited to: <ul style="list-style-type: none"> ○ Financial Scheme of Delegations; ○ Financial Operating Manual; and | Limited |  |

| Audit | Status as at 2 December 2010 | Assurance Opinion | |
|-------|---|-------------------|--|
| | <ul style="list-style-type: none"> ○ Best Value Statement. The financial procedures should be formally approved by the governing body and subject to annual review. In addition, the policies and procedures should be communicated to all members of staff and these should also be made accessible for reference; • Staff should be reminded of the need to ensure that quotes/tenders are obtained in line with the Council's Financial Regulations for Schools and the EU Procurement Rules, and that evidence of the procurement process is retained, in full, in all cases. If the requirement cannot be met due to an exceptional circumstance, then the School should ensure that the requirements for suspending Financial Regulations are followed, subject to compliance with EU Procurement Rules; • Management should review the current arrangement in respect of income and define policies and procedures for the collection of income for catering lettings, music tuition and school trips. Procedures should include: <ul style="list-style-type: none"> ○ Staff responsibilities and segregation of duties; ○ Validation and verification of cash counts; and ○ Reconciliation of income collected to income banked. • Procedures including threshold value and responsibility for maintaining an inventory of assets should be clarified and a complete inventory should be produced. Inventory checks should also be undertaken by at least two officers, both of whom should sign off the check on completion. If it is not possible for two officers undertake the check, the responsibility for the check should be delegated to an officer independent of the person responsible for maintaining the inventory. In addition, asset disposal procedures should be established and communicated to all staff. For each disposal, a clear record should be maintained, documenting the justification and approval of the disposal, as well as the method of disposal. • Staff should be reminded of the need to obtain all of the necessary | | |

| Audit | Status as at 2 December 2010 | Assurance Opinion | |
|----------------------------|--|-------------------|---|
| | <p>information from new starters including invigilators and any other casual staff so they can be processed by payroll. This should include:</p> <ul style="list-style-type: none"> ○ National Insurance Number; ○ Proof of right to work in the UK; ○ Proof of Address; and ○ Bank Account details. <p>These should be provided in a timely manner so that the necessary payments can be made promptly.</p> <p>In addition, staff should be reminded of the need to upload the results of the CRB checks onto the central register. In any instance where a gap is identified as part of the monthly review by the Headteacher, or alternative delegated officer, this should be followed up as a matter of priority to confirm whether the checks have been completed.</p> <p>Six priority 2 recommendations were also raised where changes can be made in order to achieve greater control.</p> <p>All of our recommendations were accepted for implementation by management.</p> <p>It should be noted that the School has been through a number of recent changes including the appointment of an Interim Executive Board and key staff members being dismissed or resigning. Although a number of priority 1 and 2 recommendations have been raised which require further action by management, it is positive to note that the interim management team, including the Acting Head Teacher and Acting Bursar, have been taking steps to address control weaknesses inherited from the previous management regime.</p> | | |
| Community Facilities (BHP) | Final Reported separately the BHP's Finance & Audit Sub-Committee | Nil |  |

Audits currently at draft report stage or in progress

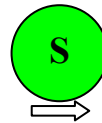



The table below lists those audits for which the management responses to the Draft Report are still in the process of being discussed and agreed, or for which we are still awaiting receipt of these responses, or where the audit is currently in progress. As noted in the Executive Summary, we will update Members on the assurance opinions and key findings at the next meeting once these have been finalised.

| Audit | Status as at 2 December 2010 |
|--|------------------------------|
| Debt Management | Draft Report |
| Service Planning and Performance Management | Draft Report |
| Reablement | Draft Report |
| CRC Energy Efficiency Scheme | Draft Report |
| SAS Data Migration (IT) | Draft Report |
| PC and Laptop Checks (IT) | Draft Report |
| Contender Application (IT) | Draft Report |
| Northgate Revenues & Benefits Application (IT) | Draft Report |
| Mobile Device Security (IT) | Draft Report |
| St Gregory's Science College | Draft Report |
| Kingsbury High School | Draft Report |
| Jews Free School | Draft Report |
| Alperton Community School | Draft Report |
| Claremont High School | Draft Report |
| Wembley High Technology College | Draft Report |
| Newman Catholic College) | Draft Report |

| Audit | Status as at 2 December 2010 |
|--|------------------------------|
| Convent of Jesus & Mary Language College | Draft Report |
| Queen Park Community School | Draft Report |
| BHP – Recruitment | Draft Report |
| BHP – Budget Monitoring | Draft Report |
| Treasury Management | In Progress. |
| Early Year Single Funding Formula | In Progress. |
| IP Telephony (IT) | In Progress. |
| Interact Payroll (IT) | In Progress. |
| Direct Payments – Children Social Care | In Progress |
| Fostering & Adoption Payments | In Progress |
| Licensing | In Progress |
| Fostering & Adoption Payments | In Progress |
| Licensing | In Progress |
| Rent Arrears Management (BHP) | In Progress |
| Capital Budgeting | In Progress |
| Cash & Bank | In Progress |
| Council Tax | In Progress |
| NNDR | In Progress |
| Repairs and Maintenance (BHP) | In Progress |
| Kingsbury Green Primary School | In Progress |
| Mount Stewart Infants School | In Progress |
| Braintcroft Primary School | In Progress |

Audits previously reported to Committee as final

The table below sets out those audits from the 2010/11 Internal Audit Plan which have previously been reported to the Committee as final. They are included here so as to provide Members with an overview of the work completed for the year to date, together with the assurance opinions awarded.

| Audit | Status as at the December 2010 | Assurance Opinion |
|---------------------------------------|--|---|
| Traffic Management | Final Report. Previously reported to the Audit Committee in September 2010. | Substantial  |
| Housing Provision for 16-17 year olds | Final Report. Previously reported to the Audit Committee in September 2010. | Substantial  |
| School Admissions | Final Report. Previously reported to the Audit Committee in September 2010. | Substantial  |
| Experian Payments Gateway (IT) | Final Report. Previously reported to the Audit Committee in September 2010. | Substantial  |

Follow-Up of Previously Raised Recommendations

The table below provides a summary of the findings from the follow-up work completed during the year to date, excluding any BHP recommendations.

Our approach is explained within the Executive Summary. Recommendations are classified as either Implemented (I); Partly Implemented (PI); Not Implemented (NI); or in some cases no longer applicable (N/A), for example if there has been a change in the systems used.

For any recommendations found to have only been partly implemented or not implemented at all, further actions have been raised with management. As such, we have included all recommendations followed-up to date, including Draft Follow-Up Reports, as well as those that have been finalised. Where the reports have been finalised, the further actions have been agreed with management, including revised deadlines and responsible officers. For those at Draft stage, we are awaiting responses from management. All agreed further actions will be added to our rolling follow-up programme as explained in the Executive Summary to this report.

The table includes a column to highlight any priority 1 recommendations which were found not to have been fully implemented. Please note that we have not replicated the full recommendation, only the general issue to which they relate.

| Audit Title | Priority 1 | | | Priority 2 | | | Priority 3 | | | Total | | | | Priority 1 Recommendations not implemented |
|---|------------|----|----|------------|----|----|------------|----|----|-------|----|----|-----|--|
| | I | PI | NI | I | PI | NI | I | PI | NI | I | PI | NI | N/A | |
| Waste Management | 3 | - | - | 1 | - | - | - | - | - | 4 | - | - | - | N/A |
| Blue Badges | 1 | 1 | - | 1 | 1 | - | - | - | - | 2 | 2 | - | - | N/A |
| Freedom Passes | 3 | - | - | 3 | 1 | - | 1 | 1 | - | 7 | 2 | - | - | N/A |
| Joint Commissioning | 2 | - | - | 1 | - | - | - | - | - | 3 | - | - | - | N/A |
| Section 106 | 1 | 2 | - | - | 2 | 1 | - | - | - | 1 | 4 | 1 | - | N/A |
| Traffic Management | 1 | 1 | - | 3 | 3 | - | 1 | - | - | 5 | 4 | - | 1 | N/A |
| Curzon Crescent Children's Centre / Nursery | 3 | 4 | - | 3 | 2 | 3 | 1 | - | - | 7 | 6 | 3 | 2 | N/A |
| Complaints | 1 | 3 | - | 2 | 4 | - | - | - | - | 3 | 7 | - | - | N/A |
| Bulky Waste | 2 | | | | | | | | | 2 | | | 1 | N/A |
| Recruitment (DRAFT) | 2 | 1 | - | 3 | 1 | 1 | - | - | - | 5 | 2 | 1 | - | N/A |
| Appointeeships & | 1 | - | - | 2 | 2 | - | - | - | - | 3 | 2 | - | - | N/A |

| Audit Title | | Priority 1 | | | | Priority 2 | | | | Priority 3 | | | | Total | | | | Priority 1 Recommendations not implemented |
|--------------------------------------|-------------|------------|-----------|----------|--|------------|-----------|-----------|--|------------|----------|----------|--|-----------|-----------|-----------|----------|--|
| | | I | PI | NI | | I | PI | NI | | I | PI | NI | | I | PI | NI | N/A | |
| Deputyships | | | | | | | | | | | | | | | | | | |
| Facilities Management (DRAFT) | | - | 1 | - | | 1 | 3 | 1 | | - | - | - | | 1 | 4 | 1 | - | N/A |
| Corporate Health & Safety (DRAFT) | | 2 | 1 | - | | - | - | - | | - | - | - | | 2 | 1 | - | - | N/A |
| Private Procurement (DRAFT) | Sector Team | 2 | 1 | | | 3 | 2 | | | | | | | 5 | 3 | | | N/A |
| BCP (DRAFT) | | | 1 | | | | | 2 | | | | | | | 1 | 2 | | N/A |
| Transportation | | 1 | | | | 2 | | | | 1 | | | | 4 | | | | N/A |
| Registration and Nationality | | 1 | 2 | | | 4 | | | | | | | | 5 | 2 | | | N/A |
| BCP (BHP) (DRAFT) | | | | | | 1 | 3 | | | | 1 | | | 1 | 4 | | | N/A |
| Bankline Application (IT Audit) | | | | | | | | | | 1 | | | | 1 | | | | N/A |
| Leasehold Management (BHP) | | | | | | 5 | 1 | 2 | | | | | | | | | | N/A |
| | | 27 | 19 | - | | 42 | 25 | 10 | | 8 | 2 | - | | 77 | 46 | 10 | 4 | |

Two additional follow-up exercises for which the reports are still at Draft stage relate to the following audits:

- Schools Thematic Work on Procurement; and
- Children & Families Imprest Accounts.

Both reports were issued at the end of March 2010. Management responses to the further actions required have been chased, but are yet to be received. The status of implementation for these recommendations is as follows:

| Audit Title | Priority 1 | | | Priority 2 | | | Priority 3 | | | Total | | | | Priority 1 Recommendations not implemented |
|--|------------|----|----|------------|----|----|------------|----|----|-------|----|----|-----|--|
| | I | PI | NI | I | PI | NI | I | PI | NI | I | PI | NI | N/A | |
| Children & Families Imprest Accounts (DRAFT) | 2 | 1 | 1 | 2 | 4 | | 2 | | | 6 | 5 | 1 | | <ul style="list-style-type: none"> • Authorised Signatory List. |

For the Schools Thematic Work on Procurement, we did not raise recommendations in our standard format and priorities were not assigned. Instead, management developed an action plan in response to our findings. From the follow-up work undertaken, limited progress has been made against these actions.





Customer Satisfaction

We set out below a breakdown of the feedback received through the Customer Satisfaction Questionnaires, as completed by auditees for work undertaken to date by Deloitte against the 2010/11 Internal Audit Plan.

5 = Excellent; 4 = Very Good; 3 = Satisfactory; 2 = Potential for Improvement; and 1 = Unsatisfactory.

| Audit | Sufficient notice was provided prior to the start of the audit | Communication of audit objectives, purpose and scope | Effectiveness and professionalism of the auditor(s) | Auditor(s) understanding of the service you provide | Quality of exit meeting and discussion of report findings | Quality, accuracy and usefulness of the report | Overall opinion of the audit |
|--------------------------------------|--|--|---|---|---|--|------------------------------|
| Traffic Management | 5 | 4 | 5 | 5 | 5 | 4 | 5 |
| Housing Provision | 4 | 4 | 5 | 5 | 4 | 5 | 5 |
| CRC Energy Efficiency Scheme | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Local Area Agreement Data Management | 5 | 5 | 5 | 4 | 5 | 5 | 5 |
| Self Directed Support | 5 | 5 | 5 | 5 | 5 | 4 | 4 |
| Sports and Leisure Centre | 4 | 5 | 5 | 4 | 5 | 5 | 4 |

Appendix A – Audit Team and Contact Details

| London Borough of Brent | Contact Details |
|---|--|
| Simon Lane – Head of Audit & Investigations |  simon.lane@brent.gov.uk |
| Aina Uduehi – Audit Manager |  020 8937 1260 |
| |  aina.uduehi@brent.gov.uk |
| |  020 8937 1495 |

| Deloitte & Touche Public Sector Internal Audit Limited | Contact Details |
|--|--|
| Richard Evans – General Manager |  phil.lawson@brent.gov.uk |
| Phil Lawson – Senior Audit Manager |  020 8937 1493 |
| Shahab Hussein – Senior Computer Audit Manager | |

Appendix B – Progress Against the 2010/11 Internal Audit Plan

The table below sets out the detailed progress made against the agreed 2010/11 Internal Audit Plan, together with an indication of any instances where an audit has been removed from the Plan, any where an audit has been added or the planned days amended, and also any for which the planned timing has had to be amended. All amendments against the originally agreed Plan are shown in italics.

Table 1 – Overall Plan

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|---|------|---|--|-----------------|--|
| | | | | | |
| CROSS COUNCIL AUDITS (87 Days) (reduced to 72) | | | | | |
| Conflicts of Interest | 12 | To focus on the controls in place with regards to ensuring that officers and Members avoid any conflicts of interest in their respective roles and responsibilities. Specifically, the controls for ensuring that officers and Members declare any interests / gifts & hospitality; that gifts & hospitality are only accepted in line with Council policy; and that appropriate follow-up actions are taken to ensure that any officers or Members declaring interests / gifts & hospitality are operating in an appropriate manner. | Tracey Connage – Assistant Director, Human Resources | Qtr 2/3 | Audit scheduled for 3 rd quarter. However Assistant Director of Finance wants audit to be postponed to next financial year. |
| Service Planning and Performance Management | 20 | To focus on the controls in place across the Council with regards to the formulation of service plans and the performance | Cathy Tyson – Assistant Director, Policy | Qtr 2/3 | Draft |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|------------------------------|------|---|--|---------------------------------|------------------------------|
| | | <p>management arrangements surrounding the delivery of these. Specifically, the controls in place around ensuring that service priorities are in line with the Corporate Strategy; that service priorities meet the needs of the borough's residents and other key stakeholders; that service priorities are realistic and achievable from a funding and resource perspective; and that agreed service priorities are delivered/achieved in a full and timely manner.</p> <p>It should be noted that the performance management aspects of this audit will only be covered at a high level and will focus on the controls in place around monitoring the achievement of the primary level service priorities across the Service Areas, including the arrangements for reporting and corrective actions where appropriate.</p> | | | |
| Business Continuity Planning | 10 | Business Continuity Planning (BCP) was previously audited in 2007/08 and 2008/09, following the inception of the BCP project in February 2007. This audit will now check on the further | Martyn Horne – Head of Emergency Planning & Business | Qtr 3 (<i>moved to Qtr 2</i>) | Final |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|------------------------------|----------------------|---|---|------------------|--|
| | | developments that have taken place, assessing the extent to which the arrangements have been embedded across the Council. | Continuity | | |
| CRC Energy Efficiency Scheme | 15 | <p>To focus on the controls in place around the gathering, compilation and validation of required data as part of the submission of the 'year 1' figures to the Environment Agency (EA).</p> <p>In addition, we will check on progress against the Action Plan being agreed as part of the 2009/10 work in this area, as well as assessing the apparent adequacy of the evidence pack compiled to support the figures reported (although this would provide no guarantee as to the outcome should the Council be selected for an audit by the EA).</p> <p>The specific timing is to be determined, but should fall within the reporting window of 1 April to 30 September 2010.</p> | Duncan McLeod – Director of Finance & Corporate Resources | Qtr 1/2 | Draft |
| Grants | 15 (reduced to 0) | This allocation of days has been included within the Plan following discussions with the Audit Commission regarding their grants certification work. | To be determined | To be determined | Audit removed from the Plan following discussions with the Audit |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|-------|------|--|---------------------|-----------------|--|
| | | <p>The aim is to determine, in conjunction with the Audit Commission, whether Internal Audit work can be undertaken in respect of the systems in place to compile grant claims, i.e. the controls in place around the gathering, verification and reporting of data, thereby reducing the work required to be undertaken by the Audit Commission as part of the certification process.</p> <p>Further discussion will take place once the list of grants requiring certification in 2010/11 has been published. Selection of grants, if appropriate, would be on the basis of risk and hence the time that would normally be required to be spent on such work by the Audit Commission.</p> <p>Dependant upon the robustness of the existing controls, the benefits of such an approach may either be realised within the 2010/11 financial year, or potentially in future years if it is necessary for management to address weaknesses before the Audit Commission can place reliance on them.</p> | | | Commission regarding proposed involvement. They will undertake the work as normal. |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|-------------------------------------|------|--|---|------------------|------------------------------|
| Annual Governance Statement | 15 | Formulation of the Annual Governance Statement through the co-ordination of the completion of the Certificates of Assurance by Directors and the annual review of the Council's Corporate Governance Action Plan. | Simon Lane – Head of Audit & Investigations / Directors | Qtr 4 | N/A |
| | | | | | |
| CROSS BOROUGH WORK (20 Days) | | | | | |
| Cross Borough Work | 20 | <p>This allocation of days has been included within the Plan to allow for the completion of work across the members of the West London Internal Audit Framework.</p> <p>At this stage, specific areas of focus have not been determined and this will be considered during the course of the year in conjunction with the Directors of Finance and Heads of Audit.</p> <p>Two possible areas for consideration, as suggested by the Director of Housing & Community Care, are the West London Procurement Project and Supporting People.</p> | To be determined | To be determined | N/A |
| | | | | | |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|---|------|--|---|---------------------------------|------------------------------|
| FINANCE & CORPORATE RESOURCES (125 Days) | | | | | |
| Council Tax | 15 | Annual systems audit focussing on key controls and any systems changes. | Paula Buckley – Head of Client Team, Revenue & Benefits | Qtr 3 | In Progress |
| NNDR | 15 | Annual systems audit focussing on key controls and any systems changes. | Paula Buckley – Head of Client Team, Revenue & Benefits | Qtr 3 | In Progress |
| Housing & Council Tax Benefits | 15 | Annual systems audit focussing on key controls and any systems changes. | David Oates – Head of Benefits, Revenue & Benefits | Qtr 4 | Date to be agreed |
| Treasury Management | 10 | Annual systems audit focussing on key controls and any systems changes. | Martin Spriggs – Head of Exchequer & Investment | Qtr 1 (<i>moved to Qtr 2</i>) | In Progress |
| Debt Management | 10 | <p>This audit follows on from our initial work undertaken in 2009/10 to assess the adequacy of the controls being designed and placed into operation by the new corporate Sundry Debt Recovery Team (SDRT).</p> <p>This audit will check on the extent to which the control processes have been further developed, in line with the action plan agreed as part of the 2009/10 work. Adequacy will be</p> | Sarah Cardno – Exchequer Services Manager | Qtr 3 (<i>moved to Qtr 2</i>) | Draft |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|--|------|--|--|-----------------|------------------------------|
| | | reassessed and the effectiveness of controls evaluated. | | | |
| Capital Budgeting | 10 | To focus on the controls in place around the setting and management of the budget for the overall capital programme and specific projects within it. | Mark Peart – Head of Financial Management / Paul May – Capital Accountant | Qtr 2 | In Progress |
| <i>Migration to the Single Accounting System and Key Financial Systems work post 1 September 2010</i> | 50 | As detailed in the main body of the report, at this stage, it is anticipated that coverage will be needed in relation to the migration to the single accounting system and then in respect of the revised financial management structures post 1 September 2010. Work in relation to the migration is likely to be combined between general audit and computer audit. The specific areas of coverage will be agreed during the course of the year. | Duncan Mcleod – Director of Finance & Corporate Resources / Mick Bowden – Deputy Director of Finance & Corporate Resources | Qtr 3/4 | Audit Brief issued |
| | | | | | |
| CHILDREN & FAMILIES (240 Days) (increased to 282) | | | | | |
| School Audits and FMSiS Assessments – Secondary (Foundation) Schools | 88 | Completion of joint audits and FMSiS assessments for the remaining seven secondary (Foundation) schools. The audit will allow additional coverage in high risk areas. | Bharat Jashapara – Head of Finance, Children & Families | Across the year | In Progress. |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|--|---------------------------------|---|---|-----------------|--|
| | | Estimation at this stage is for an allocation of 12 days per school. Allocation of days includes time for liaising with Education Finance with regards to any issues arising from the work during the course of the year. | | | |
| School Audits – Primary (Foundation) Schools | 20 | Completion of audits for two primary (Foundation) schools, one of which will also be re-assessed under the FMSiS following a 'Fail' in 2009/10. Estimation at this stage is for an allocation of 8 days for the school only requiring an audit and 12 for the school needing an audit and FMSiS re-assessment. | Bharat Jashapara – Head of Finance, Children & Families | Across the year | N/A |
| FMSiS re-assessments for primary/junior schools that failed in 2009/10 | 15 <i>(reduced to 0)</i> | <i>It was originally anticipated that a total of five schools were going to receive a 'Fail' against the FMSiS in 2009/10 (in addition to the one primary Foundation school above). At this stage, that has not been the case, although the position is still under review. For now, the days have been removed.</i> | Bharat Jashapara – Head of Finance, Children & Families | Across the year | Days removed from the Plan as explained under the updated 'Proposed Coverage'. |
| School Audits and FMSiS Assessments – primary/junior schools | 18 <i>(increased to 110)</i> | Completion of joint audits and FMSiS assessments for the three primary/junior schools that | Bharat Jashapara – Head of Finance, Children & Families | Qtr 4 | Although FMSiS Assessments will not take place, |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|--|----------------------|--|---|------------------|---|
| due for their three year re-assessment | | <p>initially gained a 'Pass' at the end of the 2007/08 financial year and who are therefore due their three year re-assessment.</p> <p><i>The original estimation was for an allocation of six days per school. This was based on the volume of primary and junior schools that will require re-assessing over the following two years. The audit will allow additional coverage in high risk areas. However, on the basis of the work undertaken with the Foundation schools, it is now estimated that 10 days will be required per school.</i></p> <p><i>Given the increase in the overall contingency balance, the number of schools has been increased from three to 11. This will help to reduce the number of days needing to be allocated to re-assessments in the following two financial years.</i></p> | | | Internal Audit Programme will still be completed, |
| Schools Thematic Work | 15 (reduced to 0) | To focus on a specific theme(s) and visit a sample of schools to either assess compliance with the requirements of the Financial Regulations for Schools, or to assess the adequacy and effectiveness of | Bharat Jashapara – Head of Finance, Children & Families | To be determined | Days removed from the Plan so as to allow additional time to be spent on undertaking Internal Audit |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|--|----------------------|---|--|------------------|---|
| | | <p>controls in respect of fraud and non-fraud risks in that area.</p> <p>A specific theme(s) has yet to be determined, but will be derived from an analysis of key areas of weakness identified across the schools in recent years, including through the audits being undertaken with the Foundation schools at the current time and in the first quarter of 2010/11.</p> <p>Thematic work was previously undertaken in 2008/09, focussing on Procurement and compliance with the Financial Regulations for Schools.</p> | | | <p>work for primary/junior schools.</p> <p>This will help reduce the total number of days required to be allocated to such work over the course of the following two financial years.</p> |
| Building Schools for the Future (Contract Audit) | 10 (reduced to 0) | <p>An initial high level audit of the programme within Brent. Further audit work will be undertaken as the programme progresses, including looking at specific projects within this, but contracts are not due to be in place during 2010/11.</p> <p>Contract audit work has previously been undertaken in relation to a number of schools capital projects, including the construction of the Ark Academy.</p> | Saiyyidah Stone – Assistance Director, Building Schools for the Future | To be determined | Audit removed from the Plan given the decision by the Government to end the scheme. |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|----------------------------------|------|---|--|-----------------------------------|---|
| Common Assessment Framework | 10 | <p>This area was previously audited in 2008/09, looking at the controls being put in place as part of the implementation of the Framework, as well as the overall management of the implementation project.</p> <p>This audit will now check on the further developments that have taken place, assessing the extent to which the Framework has been embedded. In addition, we understand that the area is subject to a restructure and hence the systems of control may be subject to amendment.</p> | Krutika Pau – Assistant Director, Strategy & Partnerships/ Christiana Baafuo-Awuah – Integrated Services Manager | Qtr 3 | Awaiting response from management re audit start date |
| Direct Payments and Respite Care | 12 | To focus on the controls in place around direct payments and the provision of respite care to children, including the assessment of eligibility; payment/provision; and monitoring of outcomes. | Rik Boxer – Assistant Director, Achievement & Inclusion / Graham Genoni – Assistant Director, Social Care | Qtr 1 (<i>moved to Qtr 2/3</i>) | In Progress. |
| School Admissions | 10 | From September 2010, a change in admissions legislation (Admissions Code 2009) requires all 'in-year' applications for school places to be made through the Local Authority. Previously this was done directly with the schools. | Mustafa Salih – Assistant Director, Finance & Performance / Carmen Coffey – Head of Communication & Support Services | Qtr 1 | Final Report issued. |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|---|------|--|---|-----------------|---|
| | | The audit will assess the adequacy of the controls put in place to administer this, as well as the wider admissions process. | | | |
| Youth Service and Connexions Amalgamation | 10 | The specific coverage is still to be discussed and agreed with the Assistant Director, Achievement & Inclusion, but will relate to the forthcoming amalgamation of the Youth Service and Connexions, focusing on the adequacy and effectiveness of the systems of control that are created as a result of this. Specific focus is likely to be around financial management controls. | Rik Boxer – Assistant Director, Achievement & Inclusion | Qtr 3 | Unlikely to go ahead now due to issues relating to Connexions. To be confirmed with Rik Boxer whether this audit is still required. |
| Fostering & Adoption Payments | 10 | <p>The specific coverage is still to be discussed and agreed with the Assistant Director, Social Care, but will relate to the controls in place around payments to foster carers and adopters.</p> <p>This follows previous work in this area and will assess the adequacy and effectiveness of the controls that management have been further developing.</p> | Graham Genoni – Assistant Director, Social Care | Qtr 2/3 | In Progress. |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|--|------|--|---|--------------------|--|
| 14-19 Provision | 12 | The specific coverage is still to be discussed and agreed with the Assistant Director, Strategy & Partnerships, but will relate to the new arrangements from 2010/11, in respect of the Local Authority taking responsibility for the commissioning of services for 14-19 year olds, as previously within the remit of the Learning & Skills Council (LSC) | Krutika Pau – Assistant Director, Strategy & Partnerships / Sarah Mansuralli – Head of Joint Strategy & Commissioning | Qtr 3 | This may now be replaced with 6 th form pupil numbers certification work for the Young People's Learning Agency (YPLA) funding. Waiting for the Council's decision. |
| Early Years Single Funding Formula | 10 | To focus on the controls in place over the application of the formula, including the setting of rates and the collection and validation of data from service providers. | Mustafa Salih – Assistant Director, Finance & Performance | Qtr 1 and on going | In Progress. |
| | | | | | |
| ENVIRONMENT & CULTURE (60 Days) | | | | | |
| Parking | 20 | <p>The specific area of focus is still to be determined with the Assistant Director, Streets & Transportation.</p> <p>Potential areas include parking enforcement; on/off street meters; parking permits; and management of the parking enforcement contract.</p> <p>However, from initial discussions, we understand that the Parking Service is going to</p> | Irfan Malik – Assistant Director, Streets & Transportation | To be determined | Consultant's report has now been issued which contains a number of recommendations. A meeting has been requested to discuss the expected changes in more detail to determine the |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|-----------|------|--|---|-----------------|---|
| | | <p>be subject to a Lean Fundamentals review. As was the case when BHP undertook a similar style review of their responsive repairs function, an initial suggestion is that it may therefore be appropriate for us to undertake work to assess the adequacy of controls as part of any planned revisions to the current ways of working. Such work may be followed by a standard systems based audit following the implementation of any revisions.</p> <p>The number of days allocated may be adjusted depending on the agreed areas of focus and/or approach.</p> | | | scope. |
| Libraries | 20 | <p>To focus on the systems of control in place following the recent restructuring of the Library Service, including the controls in place centrally to ensure compliance across individual libraries.</p> <p>As part of the audit we may also visit a sample of libraries to assess the adequacy and effectiveness of controls being operated locally. This will be discussed and agreed with</p> | Sue Harper – Assistant Director, Leisure & Regeneration | Qtr 4 | To be determined whether still relevant in light of proposed changes. |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|--------------------|------|---|---|-----------------|------------------------------|
| | | management at the time the audit is being planned. | | | |
| Licensing | 12 | To focus on the controls in place around the award of licenses; monitoring compliance with license conditions; enforcement actions; income collection; and budget monitoring. The range of licenses to be focused on is still to be determined. | Geoff Galilee – Service Unit Director, Health, Safety & Licensing | Qtr 2 | In Progress |
| Traffic Management | 8 | This audit follows on from our initial work undertaken in 2009/10 around the preparedness of the Council in relation to the implementation of the London operational Permit Scheme (LoPS). This audit will check on the extent to which the control processes have been further developed, in line with the action plan agreed as part of the 2009/10 work. Adequacy will be reassessed and the effectiveness of controls evaluated. | Irfan Malik – Assistant Director, Streets & Transportation | Qtr 2 | Final Report issued. |
| | | | | | |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|---------------------------------------|------|--|--|-------------------------|---|
| HOUSING (32 Days) | | | | | |
| Temporary Accommodation | 10 | Specific coverage is still to be discussed and agreed with the Assistant Director, Housing Needs / Private Sector, but will relate to the ongoing work being undertaken to reduce the numbers in temporary accommodation and the management of budgets in association with this. | Perry Singh – Assistant Director, Housing Needs / Private Sector / Helen Clitheroe – Head of HRC | Qtr 4 | N/A |
| Housing PFI | 10 | To focus on the controls in place around the high level management and oversight of the Housing PFI, as being delivered by the Brent Coefficient, a consortium of Hyde Housing Group and Bouygues UK Limited. | Maggie Rafalowicz – Assistant Director, Housing Strategy & Regeneration | Qtr 3/ To be determined | Not yet clear what impact changes in corporate structure will have on this audit. |
| Housing Provision for 16-17 year olds | 12 | Specific coverage is still to be discussed and agreed with the Assistant Director, Housing Needs / Private Sector, but will relate to the work being undertaken by Housing, in conjunction with Children & Families, in relation to the provision of housing support for 16-17 year olds who present | Perry Singh – Assistant Director, Housing Needs / Private Sector | Qtr 1 | Final Report issued. |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|--|------|---|---|---------------------------------|---|
| | | themselves as homeless. Various pieces of legislation are relevant, together with the 'Southwark Judgement' made by the House of Lords on 20 May 2009. | | | |
| | | | | | |
| COMMUNITY CARE (80 Days) (reduced to 70) | | | | | |
| Transformation – Self Directed Support / Direct Payments | 15 | <p>To focus on the progress made in the development and implementation of the systems of control in respect of Self Directed Support.</p> <p>This area was previously audited as part of the 2008/09 Plan and this further work has been postponed from 2009/10.</p> <p>The work will also include a follow-up of the work that was undertaken around Direct Payments in 2008/09.</p> | Lance Douglas – Assistant Director, Quality & Support | Qtr 1 | Final Report issued. |
| Transformation – Reablement | 8 | <p>To focus on the progress made in the development and implementation of the systems of control in respect of Reablement.</p> <p>This area has been audited as part of the 2009/10 Plan.</p> | Lance Douglas – Assistant Director, Quality & Support | Qtr 4 (<i>moved to Qtr 3</i>) | Draft Report issued. Waiting for management response. |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|--------------------------------------|----------------------|---|---|--|--|
| Transformation – Community Equipment | 10 (reduced to 0) | <p>To focus on the adequacy of the systems of control being designed and placed into operation in respect of the Community Equipment workstream of the Transformation Programme.</p> <p>This area is a new addition to the Transformation Programme and has not been looked at previously.</p> <p><i>We have now discussed this further with the key contact and it has been agreed that the work will be undertaken in two stages. The first will focus on the adequacy of what is being designed, as above. The second stage will then take place once the controls have been implemented, so as to also assess the effectiveness of their operation.</i></p> | Lance Douglas – Assistant Director, Quality & Support | To be determined (<i>first stage was confirmed for Qtr 2 but may now be postponed, second stage may take place in Qtr 4</i>) | Audit removed from the Plan given the decision by the Council not to go ahead with the proposed new service model. |
| Establishments Thematic Work | 20 | To focus on specific themes and visit a sample of establishments to either assess compliance with the requirements of the Financial Regulations, or to assess the adequacy and effectiveness of controls in respect of fraud and non-fraud risks in that area. | Alison Elliot – Assistant Director, Community Care | Q4 | N/A |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|----------------------------|-------------------------------|--|--|-----------------|--|
| | | <p>Specific themes have yet to be determined, but will be derived from an analysis of key areas of weakness identified across the establishments in recent years. Initial indications from the Director of Housing & Community Care are that procurement, budgetary control and the recruitment of agency staff would be key areas for consideration.</p> <p>This work will follow on from our establishments work in 2009/10 which has involved producing a summary report of the key areas of weakness, together with added guidance around the controls that should be in place to address these.</p> | | | |
| Adult Assessment Framework | 15 (<i>reduced to 0</i>) | To focus on the controls in place around the assessment and monitoring of adults and older people, taking account of the changes made through the Transformation Programme. | Alison Elliot – Assistant Director, Community Care / Lance Douglas – Assistant Director, Quality & Support | Qtr 2 | Audit removed from the Plan following discussions with the key contacts. Determined that sufficient coverage as part of the Self Directed Support / Direct Payments. |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|---|----------------------|---|--|-------------------------|--|
| Use of Frameworki | 12 (Reduced to 0) | Specific coverage is still to be discussed and agreed with the Assistant Director, Community Care and the Assistant Director, Quality & Support, but will relate to the controls in place around the use of Frameworki and the monitoring of such usage. Previous internal audit work has been undertaken from an IT perspective, in terms of the application itself, whereas this audit is to focus on usage from an operational perspective. | Alison Elliot – Assistant Director, Community Care / Lance Douglas – Assistant Director, Quality & Support | N/A | Audit removed from the Plan given the usage of information held on Framework i is partly covered in individual audits. |
| | | | | | |
| BUSINESS TRANSFORMATION (192 Days) | | | | | |
| IT | 155 | A Computer Audit Needs Assessment has been undertaken in conjunction with ITU to refresh our strategic IT Plan. The Plan for 2010/11 is detailed separately within Table 2. | <i>Separate IT Plan</i> | <i>Separate IT Plan</i> | N/A |
| Payroll | 15 | Annual systems audit focussing on key controls and any systems changes. | Simon Britton – Head of The People Centre / Barry Hilder – Head of Payroll | Qtr 3 | N/A |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|---|------|--|--|------------------|---|
| Pensions Administration | 10 | Highlighted by the Audit Commission as a high risk area they would like included within the Plan. | Simon Britton – Head of The People Centre / Andy Gray – Pensions Manager | Qtr 4 | Audit confirmed to commence in late January 2010 |
| Civic Centre (Contract Audit) | 12 | To focus on the controls in place over the management of the project for constructing the new Civic Centre. Initial audit work has been undertaken as part of the 2009/10 Plan and the intention, as with other large capital projects, is for us to undertake stage audits through until completion of the project. | Aktar Choudhary – Assistant Director, Business Transformation | To be determined | N/A |
| | | | | | |
| ONE COUNCIL IMPROVEMENT & EFFICIENCY PROGRAMME (65 Days) | | | | | |
| <i>Specific involvement / coverage to be determined</i> | 65 | As detailed in the main body of the report, an approach has already been agreed with regards to the Finance Modernisation project, and work has begun on this as part of the 2009/10 Plan. Further input in respect of this project is expected for 2010/11 and will form part of the 75 day allocation. Further areas of coverage will | Phil Newby – Director of Policy & Regeneration / Project Leads | - | Draft Report issued in relation to the Strategic Property Review. Further work to be determined. |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|---|----------------------|---|--|------------------|---|
| | | <p>be discussed and agreed during the course of the year, but may focus on the following three Gold Projects:</p> <ul style="list-style-type: none"> • Strategic Property Review; • Strategic Procurement Review; and • Re-shaping Customer Contact. | | | |
| | | | | | |
| POLICY & REGENERATION (35 Days) (reduced to 15 days) | | | | | |
| Local Area Agreement (LAA) – Data Management | 15 | <p>To focus on the controls in place around the management of performance data relating to the LAA, including the collection and compilation of data; validation and checking of data completeness and accuracy; and reporting of data.</p> <p>Previous Internal Audit work has been undertaken in 2008/09 and 2009/10 with regards to the LAA Stretch Targets. Progress against the recommendations made will be assessed as part of this audit.</p> | Cathy Tyson – Assistant Director, Policy | Qtr 2 | Final Report issued. |
| Joint Venture – Working Links | 10 (reduced to 0) | The specific coverage is still to be discussed and agreed with the Assistant Director, Regeneration, but will relate to | Andy Donald – Assistant Director, Regeneration | To be determined | Audit removed from the Plan on the basis of discussion with |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|---|----------------------|---|--|--------------------------|--|
| | | the adequacy of the controls being planned and implemented in respect of the planned joint venture with Working Links. | | | the key contact. |
| Joint Venture – South Kilburn | 10 (reduced to 0) | The specific coverage is still to be discussed and agreed with the Assistant Director, Regeneration, but will relate to the adequacy of the controls being planned and implemented in respect of the planned joint venture regarding South Kilburn. | Andy Donald – Assistant Director, Regeneration | To be determined | Audit removed from the Plan on the basis of discussion with the key contact. |
| | | | | | |
| COMMUNICATION & DIVERSITY (0 Days) | | | | | |
| No audits planned at this stage | 0 | | | | |
| | | | | | |
| | | | | | |
| BOROUGH SOLICITOR (0 Days) | | | | | |
| No audits planned at this stage | 0 | | | | |
| | | | | | |
| OTHER | | | | | |
| | | | | | |
| Brent Housing Partnership (BHP) | 135 | The detailed Plan has been formulated in conjunction with BHP's Director of Finance, | <i>Separate BHP Plan</i> | <i>Separate BHP Plan</i> | N/A |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|---|------|--|---------------------|---------------------|------------------------------|
| | | <p>Financial Controller and Financial Operations Manager.</p> <p>The Plan was approved by BHP's Audit & Finance Sub-Committee on 24 March 2010.</p> <p>The total number of days has increased slightly to take account of BHP's expanded role since the purchase of Granville New Homes.</p> | | | |
| Consultation, Communication and Reporting (Deloitte) | 80 | <p>To cover attendance by Deloitte management at meetings across the Council, for example Strategic Finance Group, Schools Causing Financial Concern, and Audit & Investigations Management meetings. Also to cover Deloitte management attendance at Audit Committee meetings and the production of progress reports for these. In addition, to cover Deloitte managements' non-audit specific liaison and communication with officers across the Council on a day-to-day basis and with the Council's external auditors, the Audit Commission. For example, ongoing liaison with Directors and Assistant Directors</p> | N/A | Throughout the year | In Progress |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 DECEMBER 2010 |
|--------------------|--------------|---|--|------------------------------------|------------------------------|
| | | regarding any necessary revisions to the Plan and communication of key issues arising from completed internal audit work, and liaison with the Audit Commission regarding their review of completed internal audit work. | | | |
| Follow-Up | 40 | Completion of follow-up work as part of the rolling follow-up programme, into which all recommendations raised are added. | N/A – dependent upon each internal audit to be followed-up | Throughout the year | In Progress. |
| Contingency | 20 | To be allocated to any new developments or new / emerging risk areas during the course of the year. In the event that additional work is required for which insufficient contingency days are available, a decision will be made on whether other lower risk audits can be deferred until 2011/12. | N/A – dependent upon work required | N/A – dependent upon work required | |
| | | | | | |
| TOTAL | 1,201 | | | | |

Table 2 – IT Plan

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 December 2010 |
|---|-----------------------------|--|---|--|--|
| Oracle Financials – Extended Follow-Up of Previous Audits <i>(changed to a high level follow-up)</i> | 13 <i>(reduced to 3)</i> | <p>To follow-up on all outstanding recommendations raised across the various audits undertaken in respect of the implementation of Oracle in 2007/08, 2008/09 and 2009/10.</p> <p>In addition, in conjunction with management, it will be determined whether there are specific risk areas regarding the application for which additional controls testing and assessment are required.</p> <p><i>As agreed with the key contact, this will only now be a high level follow-up of the extent to which previous recommendations have been implemented. It will be based around a self assessment by management, with verification by Internal Audit as appropriate.</i></p> | Mark Peart – Head of Financial Management | To be determined | Awaiting completion of the self assessment by management. |
| Oracle Financials – Single Accounting System (SAS) Migration / Pre-Implementation | 10 | <p>The work will focus on the controls in place around the implementation and migration to the SAS on 1 September 2010.</p> <p>Coverage will be determined in conjunction with any non-IT internal audit work to be undertaken surrounding this key migration.</p> | Mark Peart – Head of Financial Management | Qtr 2/3 (specific timing to be agreed with management around the 1 September 'go live' date) | Final Report issued in respect of the first stage of the work. Draft Report issued for the second stage of the work and waiting for management response. |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 December 2010 |
|--|------------------------------|--|---|------------------------------|------------------------------|
| | | <i>It has now been agreed that the work should be undertaken in two stages. The first involves examining the Migration Strategy to be followed. The second stage will be undertaken post migration, assessing the extent to which the planned controls were followed.</i> | | | |
| Oracle Financials – Electronic Payments (BACS) | 10 (audit added to the Plan) | As requested by the key contact, we have added an audit in respect of the controls in place around the new electronic payments system (BACS). | Mark Peart – Head of Financial Management | Qtr 2 | Final Report issued. |
| Oracle I-Procurement (changed to Oracle Post Implementation Audit) | 10 | Work was previously undertaken in 2009/10 in respect of the I-Procurement module being piloted within Children & Families. Specific coverage for 2010/11 is still to be determined with management, but further work has been requested regarding the full roll-out in conjunction with the SAS. <i>As agreed with the key contact, this has been replaced with a post implementation audit to be undertaken in Qtr 4.</i> | Mark Peart – Head of Financial Management | To be determined (now Qtr 4) | N/A |
| Northgate Revenues & Benefits System – hosted | 10 | To focus on the controls in place for the Northgate R&B | Paula Buckley – Head of Client | To be determined | Draft Report issued. |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 December 2010 |
|--|------|--|---|------------------|------------------------------|
| at West Malling, to be hosted at Brent virtually – Application Audit | | application (Council Tax and Housing Benefits. The areas covered in this audit will include access controls, data entry, data processing, data output, interfaces, support and maintenance. | Team, Revenue and Benefits | | |
| Manhattan Property Management System (Brent owned) – Application Audit | 10 | To focus on the application controls in place for the Manhattan Property Management System. The areas covered in this audit will include access controls, data entry, data processing, data output, interfaces, support and maintenance. | Tony Nixon – Lands Terrier Manager, Property & Asset Management | To be determined | N/A |
| Interact – Integrated Payroll and HR System (Logica) – Application Audit | 10 | To focus on the application controls in place for the Interact, integrated payroll and HR system. The areas covered in this audit will include access controls, data entry, data processing, data output, interfaces, support and maintenance. | Barry Hilder – Head of Payroll & Pensions | To be determined | In Progress. |
| Contender | 10 | To focus on the application controls in place for the Contender System. The areas covered in this audit will include access controls, data entry, data processing, data output, interfaces, support and maintenance. | Graeme Maughan – Business Support Manager, StreetCare | To be determined | Draft Report issued. |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 December 2010 |
|--|------|--|--------------------------------------|-----------------|------------------------------|
| PC & Laptop Controls | 10 | <p>An assessment of the PC and laptop asset management and security environment by evaluation and benchmarking of controls established and applied in the following areas:</p> <ul style="list-style-type: none"> • Risk management; • Roles and responsibilities; • Security standards and procedures; • Security configuration settings; • System management trails; • Support and disposal arrangements; • Securing the mobile desktop; and • Technical security policy settings. | Conrad Chambers – Network Manager | Q4 | Draft Report issued. |
| Data Protection & Freedom of Information (FOI) | 15 | <p>To assess data protection and freedom of information management arrangements in terms of:</p> <ul style="list-style-type: none"> • Registration; • Ongoing awareness; • Data subject and FOI access request management; and • Management reporting. | Raj Seedher | Q3 | N/A |
| Anti Virus Controls | 10 | Computer viruses can infect the Council's IT systems from a | Conrad Chambers – Network | Q3 | N/A |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 December 2010 |
|------------------------|------|--|--------------------------------------|-----------------|------------------------------|
| | | number of sources, including downloads from the internet and e-mail attachments to a user bringing in infected portable media. The result of an infection could range from temporary annoyance due to an increase in processing to the complete shutdown and corruption of the network. The recent trend has also been for systems to be infected with Spyware or programs that can cause re-direction to internet sites or the monitoring of users internet habits but have the effect of slowing down PCs. Virus and Spyware controls are designed to protect the Council's systems from such threats and this audit will assess whether the controls in place are sufficient and appropriately managed. | Manager | | |
| Network Infrastructure | 20 | The network infrastructure enables users to connect to servers and equipment which is not directly connected to their own physical PC or workstation. This could be on the next desk (as in printers), other rooms, other buildings or even other countries depending on the type of network. A review of the network infrastructure will look | Conrad Chambers – Network Manager | Q3 | N/A |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 December 2010 |
|------------------------|------|---|---|-----------------|------------------------------|
| | | at how the Council's network is accessed, how it is supported and monitored and how the network is secured against unauthorised access. As part of the audit we will use a Security Computer Audit Tool called SekChek to look at the Network Server Operating System (O/S) configuration and logical access controls. | | | |
| Mobile Device Security | 10 | This audit will look at the security and management of mobile devices at the Council and will concentrate on policies and procedures, security of mobile devices, management and inventory, usage policy, monitoring of usage and costs, procedures for reporting of lost/stolen device, support and disposal arrangements. | Prod Sarigianis – Business Support Manager | Q2 | Draft Report issued. |
| IPTelephony | 10 | Voice-over Internet Protocol (VoIP) communications can provide excellent value for money but can increase system availability and confidentiality risks as VoIP is supported by a complex environment of standards. This audit is designed to assess the adequacy of the controls applied to the VoIP network, | Conrad Chambers – Network Manager / Prakash Patel | Q2 | In Progress. |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 December 2010 |
|---|------|---|--|-----------------|------------------------------|
| | | <p>which inherits all the vulnerabilities linked with the underlying data network, by evaluation of the following areas:</p> <ul style="list-style-type: none"> • Roles and responsibility; • Security (encryption and physical); • Segmentation and duplicate TCP / IP services; • Class of service; • Change controls; and • Management and support arrangements. | | | |
| Unix Operating System Server Security, | 7 | <p>An Operating system is an interface between the hardware and applications; it is responsible for the management and coordination of activities and the sharing of the limited resources of the computer. The operating system acts as a host for the application or the database that are run on the machine. Operating systems offer a number of services to application programs and users and as such its security configuration is important to maintain the integrity and availability of the application. As</p> | Chris Shallis – Applications Support and Development Manager | Q3 | Final Report issued. |

| AUDIT | DAYS | PROPOSED COVERAGE | INITIAL KEY CONTACT | PROPOSED TIMING | STATUS AS AT 2 December 2010 |
|--------------|------------|--|---------------------|-----------------|------------------------------|
| | | part of this audit we will look at the security configuration of the operating system. | | | |
| TOTAL | 155 | | | | |

Table 3 – BHP Plan

| AUDIT | DAYS | PROPOSED COVERAGE | KEY CONTACT | PROPOSED TIMING | STATUS AS AT 31 JULY 2010 |
|--|------|--|--|-----------------|--|
| Housing Repairs & Maintenance (responsive repairs) | 12 | Annual systems audit focussing on key controls and any systems changes. Inclusion on an annual basis is required in order to inform the work of the Council's external auditors. | Umesh Natalia – Head of Responsive Repairs | Qtr 3 | N/A |
| Housing Rents | 12 | Annual systems audit focussing on key controls and any systems changes. Inclusion on an annual basis is required in order to inform the work of the Council's external auditors. | David Bishopp – Rent Accounting & Performance Manager | Qtr 3 | Audit postponed to March 2010 due to staffing and other issues |
| Rent Arrears Management | 10 | To focus on controls over strategy & prevention; identification of arrears; follow up; referrals; debt write-off; management reporting and performance management. | Sandra Royer – Director of Housing Management / Janis Robert Edwards – Head of General Needs | Qtr 2/3 | WIP – Draft report to be issued |
| Budgetary Control | 6 | To focus on controls in place over budget setting and approval; budget upload; budget monitoring and reporting; and budget alterations and virements. | Greg Trenear – Financial Controller / David Babarinsa – Financial Operations Manager | Qtr 1/2 | Draft Report. |
| Internal Financial Controls | 15 | Annual audit focussing on key financial controls operating within BHP and the extent to which Financial Regulations are being complied with. Specific areas of focus include the | Greg Trenear – Financial Controller / David Babarinsa – Financial Operations | Qtr 4 | To be arranged for early January 2011 |

| AUDIT | DAYS | PROPOSED COVERAGE | KEY CONTACT | PROPOSED TIMING | STATUS AS AT 31 JULY 2010 |
|--|------|---|--|-----------------|---------------------------|
| | | <p>raising of invoices; receipt of income; debt recovery and write-off; payments; BACs and cheque controls; journals; and reconciliations.</p> <p>For 2010/11, specific coverage with regards to Granville New Homes will also be discussed and agreed with management. The planned days have been increased to reflect this.</p> | Manager | | |
| HR & Recruitment | 10 | To focus on controls over recruitment justification; job evaluation and person specifications; advertising of vacancies; shortlisting; assessment and selection interviews; employment checks; and induction. | Sejal Karia – Human Resources Manager | Qtr 2 | Draft Report |
| Resident Involvement (<i>Changed to Residents Associations</i>) | 15 | <p>To focus on controls in place within Neighbourhood Services to manage the relationships and oversee the operation of Resident Associations (RAs) and Tenant Management Organisations (TMOs).</p> <p>In addition, in conjunction with the key contacts named opposite, we will identify a sample of RAs and TMOs for which we will assess the adequacy and/or effectiveness</p> | Linda Footer – Head of Governance & Communications / Christina Byrne – Neighbourhood Services Manager | Qtr 2 | Final Report |

| AUDIT | DAYS | PROPOSED COVERAGE | KEY CONTACT | PROPOSED TIMING | STATUS AS AT 31 JULY 2010 |
|------------------------------|------|--|---|------------------|---------------------------|
| | | <p>of controls in place within them, with regards to key elements of their management and administration.</p> <p>An audit of 'Resident Involvement' was last undertaken in 2008/09, but the planned focus for 2010/11 differs to that previously followed.</p> <p><i>As agreed with the key contacts, this work is now focusing solely on the operations of Residents Associations.</i></p> | | | |
| Major Works (contract audit) | 33 | <p>Contract audit work in relation to major works projects has been undertaken across the 2008/09 and 2009/10 financial years. To date this has been undertaken outside of the Internal Audit Plan, as a programme of additional work, as approved by the Sub-Committee.</p> <p>For 2010/11, this allocation of days is being included within the Plan, from which specific contracts will be identified for coverage as appropriate.</p> <p>On the basis of the quantity of work undertaken to date and ongoing discussions with management, it is anticipated that the amount of work required</p> | Gerry Doherty – Chief Executive / Gary Chase – Director of Finance / Andros Loizou – Senior Project Manager / Shaun Gillam – Senior Project Manager | To be determined | N/A |

| AUDIT | DAYS | PROPOSED COVERAGE | KEY CONTACT | PROPOSED TIMING | STATUS AS AT 31 JULY 2010 |
|---|------|--|-------------|---------------------|---------------------------|
| | | will exceed this allocation. If necessary, further additional days will be utilised to accommodate this. | | | |
| Contingency | 10 | <p>To be allocated to any new developments or new / emerging risk areas during the course of the year.</p> <p>Potential areas of coverage may arise in respect of the management of Granville New Homes.</p> <p>In the event that no areas are identified as requiring further coverage, the days will be used to offset any additional contract audit work undertaken on major works projects, in excess of the planned days above.</p> | N/A | To be determined | N/A |
| Consultation, Communication, Reporting and Follow-Up | 12 | To cover attendance by Internal Audit management at Audit & Finance Sub-Committee meetings and the production of progress reports for these. In addition, to cover managements' non-audit specific liaison and communication with officers during the course of the year, for example ongoing liaison regarding any necessary revisions to the Plan and communication of key issues arising from completed internal | N/A | Throughout the year | In Progress. |

| AUDIT | DAYS | PROPOSED COVERAGE | KEY CONTACT | PROPOSED TIMING | STATUS AS AT 31 JULY 2010 |
|--------------|------------|---|-------------|-----------------|---------------------------|
| | | <p>audit work.</p> <p>In addition, completion of follow-up work on all recommendations raised and agreed as part of the 2008/09 BHP Internal Audit Plan, where the same audits are not being undertaken again as part of the 2009/10 Plan. Also, to follow-up on any further actions raised as part of the 2008/09 follow-up work as being necessary to fully implement recommendations from 2007/08 internal audits.</p> | | | |
| TOTAL | 135 | | | | |