

**Internal Audit  
Progress Report 2009/10  
London Borough of Brent  
September 2009**



## Contents

## Page No

Executive Summary	1
Detailed summary of work undertaken	5
Follow-Up of 2008/09 & Outstanding 2007/08 Recommendations	20
Customer Satisfaction	21
Appendix A – Audit Team and Contact Details	22
Appendix B – Progress Against 2009/10 Internal Audit Plan	23

## Executive Summary

<b>Introduction</b>	<p>This report sets out a summary of the work completed against the 2009/10 Internal Audit Plan for the financial year to date.</p> <p>In the report, a summary is provided of the main findings from each audit together with the assurance ratings for each one. Please note that this summary and assurance rating is only reported on once the individual audit reports have been finalised. Also shown are draft reports which have been issued and are in the process of being agreed with management, or where audit fieldwork is currently in progress.</p> <p>As a new addition to the format of these reports, Appendix B sets out the full year's Plan, as agreed by the Committee in March 2009, together with an indication of progress at the individual audit level. As explained in March 2009, this year's Plan was profiled so as to provide the Committee with a clearer picture of the proportion of the total days that should be expected to be delivered at the time of each meeting, rather than assuming that there should be an equal split across quarters. Appendix B now provides the details of actual progress against that profile. In addition, it allows the Committee to monitor changes to the Plan during the course of the year and to provide comment, as appropriate, on the potential addition of any specific audits.</p>
<b>Summary of progress against the Plan</b>	<p>The overall Internal Audit Plan for 2009/10 comprises 1,211 days, of which 951 are allocated to Deloitte &amp; Touche Public Sector Internal Audit Limited, and 260 to the in-house team. Of the total, 45 days were carried forward from 2008/09 to assist with the completion of Financial Management Standard in Schools (FMSiS) assessments in the primary schools, as previously agreed with the Committee.</p> <p>As at the end of August 2009, a total of 474 days had been delivered against the overall Plan, made up of 370 Deloitte days and 104 in-house days. This represents 39% of the Plan and is a significant improvement to the position at the same time last year, at which point a total of 351 days had been completed, representing only 28% of the Plan.</p> <p>In terms of the profile for 2009/10, 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. Specific target percentages were not agreed for each quarter given that it had not been possible to profile all audits, but Appendix B can be referred to for the detailed progress by audit.</p>

**Summary of Work Undertaken**






As was the case in 2008/09, a significant amount of time has been spent in the year to date on undertaking further FMSIS assessments in the primary schools, in order to progress towards the deadline of having all primary schools assessed by 31 March 2010. In addition, work has continued with Education Finance in order to help strengthen common control weaknesses identified as part of the assessments, so as to help ensure that the Council gains the maximum benefit from the perspective of the robustness of the internal controls in operation across the schools. A key area of focus has been in relation to budget monitoring and further developments for improving this aspect have been discussed with Education Finance. This input has been provided in such a way as to maintain audit independence whilst making a positive contribution to the strengthening of the overall control environment.

Currently the team are on target to assess all primary schools by the 31 March 2010 deadline, although this continues to be dependent upon each of the schools being ready for their scheduled assessments.

In addition to the Schools, a wide range of systems audits and IT audits has been undertaken, as well as verification work in respect of the Local Area Agreement (LAA) Stretch Targets and the Supporting People Programme (SPP) Grant. Contract audit work has also been undertaken with Brent Housing Partnership (BHP) and is being planned in relation to the construction of the Civic Centre. Initial audit input has been given regarding the development of a project management framework for the Council.

**Summary of Assurance Opinions and Direction of Travel**

For the work finalised against the 2009/10 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 2008/09 and 2007/08 financial years. Please note that an Assurance Opinion is not applicable in all cases and BHP audits are not included within this analysis. Please see page 8 for the definition of each of these opinions.

	Full  	Substantial 	Limited 	None 
<b>2007/08</b>	-	42% (23)	58% (32)	-
<b>2008/09</b>	-	78% (21)	22% (6)	-
<b>2009/10</b>	-	33% (2)	67% (4)	-

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 no audits finalised for the year to date for which such an assessment has been applicable. Please

see page 9 for the definitions of the Direction of Travel.

	<b>Improved</b> ➡	<b>Unchanged</b> ↔	<b>Deteriorated</b> ⬅
<b>2008/09</b>	8	1	-
<b>2009/10</b>	-	-	-

Overall, for the work finalised for 2009/10 to date, there has been a deterioration in the proportion of Substantial and Limited assurance reports compared with the 2008/09. However, it is too early in the year to determine whether this is representative of the overall control environment, and it should be noted that each of the audits finalised to date have not been undertaken in either of the previous two financial years, hence the lack of a Direction of Travel assessment. At this stage, the decline in the spread of opinions is therefore not as a result of a specific decline in previously audited areas.

The overall position will be monitored through the course of the year, as per these progress reports. The key points of focus for the Committee in future meetings, will be the direction of travel for those audits undertaken on annual basis and also the extent to which previously raised recommendations are found to have been implemented as per the follow-up work.

**FMSiS  
Assessments**

FMSiS assessments of the primary schools have continued, with a further 16 schools having been assessed since the start of April 2009.

The table below summarises the progress made and the outcomes of the assessments completed. Further details are set out on page 20. It should be noted that the number shown as having achieved a 'Pass' in 2008/09 has increased since the previous meeting in June 2009 as a number of schools moved from a 'Conditional Pass' once they had provided the necessary further evidence to confirm that the outstanding actions had been satisfactorily addressed.

	<b>Pass</b>	<b>Conditional Pass</b>	<b>Fail</b>	<b>In progress</b>	<b>Still to be assessed</b>
<b>2007/08</b>	3	-	-	-	-
<b>2008/09</b>	27	6	-	-	-
<b>2009/10</b>	1	12	1	2	12

Members are reminded that a school achieving a 'Conditional Pass' are given 20 working days, as per DCSF guidance, in order to address the gaps identified in the initial assessment. Evidence of this is required to be provided to Internal Audit prior to this being upgraded to a full 'Pass'. For those showing as 'Conditional Pass', the audit team is currently in the process of confirming whether the schools have satisfactorily addressed the further actions required.

In terms of those schools still showing as being on a 'Conditional Pass' from 2008/09, a final extension has been agreed with Education Finance and the Director of Finance. This decision was made on the basis that the schools require further guidance / training on a new budget monitoring pro-forma provided to them by Education Finance. Once this has been provided, the schools should have more effective arrangements in place with regards to budget monitoring, hence helping to ensure that the control environment is strengthened as a result of the assessments. However, if the schools cannot demonstrate their understanding and application of the new pro-forma by the end of September 2009, it has been agreed with Education Finance and the Director of Finance that that these schools will be failed.

**Follow-Up of  
Previously Raised  
Recommendations**

With regards to the follow-up of recommendations raised and agreed with management, a more structured programme was introduced in 2008/09, as reported on to the Committee. In each progress report, a summary is provided of the overall level of implementation, together with a breakdown of the status of implementation for each audit followed-up.

This approach is being further developed and, therefore, limited follow-up work has been undertaken for the 2009/10 year to date. Under the revised approach, management will be 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, this will be tested and a report will be issued. 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, as was previously the case, further actions will be identified as necessary and revised deadlines for completion will be agreed with management.

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. Going forward, the intention is for the follow-up programme to be 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 which the audit was undertaken.

It is hoped that this will improve both the efficiency of the follow-up process and the extent to which management recognise the importance of undertaking their own monitoring of the implementation of recommendations.

The table on the following page summarises the degree to which recommendations have been implemented, based on the follow-up work that has been finalised to date. Further details of the specific audits to which this relates are set out on page 24.

	Implemented	Partly Implemented	Not Implemented
<b>2008/09</b>			
<b>All Recommendations</b>	66 (35%)	74 (40%)	47 (25%)
<b>Priority 1 Recommendations</b>	15 (30%)	25 (50%)	10 (20%)
<b>2009/10</b>			
<b>All Recommendations</b>	1 (20%)	-	4 (80%)
<b>Priority 1 Recommendations</b>	-	-	3 (100%)
<p>To clarify the figures above, these relate to only one audit for which the follow-up work has been finalised in the year to date. This was completed prior to the introduction of the revised approach discussed above. At this stage it is not reasonable to draw any comparisons between this and the implementation rates shown for the follow-up work undertaken in 2008/09.</p> <p>The new self assessments are currently being circulated and it is expected that we will be able to report more fully at the time of the December 2009 Committee meeting.</p>			

<b>West London Framework</b>	<p>The Heads of Internal Audit from the four boroughs making up the West London Framework have continued to meet with Deloitte on a regular basis through the Contract Compliance Board (CCB). These meetings are used to discuss general progress as well as to consider specific areas in which cross borough work may be valuable and areas in which joint improvements can be made.</p> <p>The Committee will be updated on any specific developments in future meetings, as appropriate.</p>
<b>Customer Satisfaction</b>	<p>As highlighted at each Committee meeting, 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 to auditees following the completion of each piece of work.</p> <p>Three completed questionnaires have been received to date in relation to the work undertaken by Deloitte in 2009/10. The average for the overall rating on each completed questionnaire is 3.66 out of 5. At this stage this is lower than the average overall rating for 2008/09 and slightly below that in 2007/08.</p>



However, it still represents an average performance between 'satisfactory' and 'very good' and in two out of three cases the overall rating was the later of the two. The position will be monitored through the course of the year.

The detailed breakdown of this feedback is set out on page 25 this report.

Year	Average Overall Rating
2007/08	3.88
2008/09	4.40
2009/10 (to date)	3.67

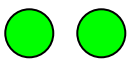



## Detailed summary of work undertaken

This section provides a summary of the internal audits and FMSIS assessments commenced since 1 April 2009. A summary of the main findings and the Assurance Opinion are only provided for internal audits for which the final report has been issued. Please note that only priority 1 recommendations are listed in detail. Full reports for any of the audits can be provided to members upon request.

For Members' reference, the following tables provide the definitions of the assurance opinions, together with the definitions for 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 in this section of the report.

### Assurance Opinions




Four categories are used to classify internal audit assurance over the processes examined. These are defined as follows:

	<b>Full</b>	There is a sound system of internal control designed to achieve the client's objectives. The control processes tested are being consistently applied.
	<b>Substantial</b>	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.
	<b>Limited</b>	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.
	<b>None</b>	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 categories 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 internal audit reports, recommendations are categorised according to their level of priority as follows:


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


## Summary Table


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

### New audits being reported as final

Audit	Status as at 11 September 2009	Assurance Opinion	
Home Care – Contract Management	<p>Final Report</p> <p>Three priority 1 recommendations were raised as a result of this audit. These were as follows:</p> <ul style="list-style-type: none"> <li>• In light of the expected efficiency savings identified by management as part of the migration to the Framework-i financial module and the planned introduction of new electronic time monitoring system, management should review the current contract management arrangements to identify areas where time savings can be made and then determine whether these can be reallocated to resourcing home visits. As part of this, the current target of 10 home visits per month should be reviewed and consideration given to whether this represents adequate coverage given that this only equates to 120 visits, less than 10 percent of the average number of service users.</li> </ul> <p>In addition, management should review the sampling method for home visits and ensure that the sample of visits selected each month provides adequate coverage of all service providers, taking into account the volume of services provided by each one and their star rating;</p> <ul style="list-style-type: none"> <li>• Management should resume checking timesheets from Plan Personnel as a matter of priority.</li> </ul> <p>In addition, where exceptions are identified as part of these checks, in addition to recouping the costs of service provision from</p>	Limited	

Audit	Status as at 11 September 2009	Assurance Opinion	
	<p>the relevant provider, further follow-up checks should be undertaken to determine whether the exceptions relate only to administrative issues or whether there are issues relating to actual service provision. To a certain extent it may be possible to draw conclusions from the findings of home visits and site visits to the provider's offices. However, consideration should be given to specifically contacting the service users to whom the exceptions relate so as to confirm that they have been receiving the agreed levels of care; and</p> <ul style="list-style-type: none"> <li>• Until Framework-i Financials is fully implemented and invoices are raised through this, the Contracts Team should resume cross checking of invoices against the credit sheet and ECCU on a monthly basis. Any exceptions should be noted and logged for deduction from the following month's payment to the relevant provider(s), as per the newly agreed arrangements.</li> </ul> <p>In addition, any outstanding credit note requests should be followed up and issues should be escalated if no further response is received from service providers.</p> <p>Five priority 2 and one priority 3 recommendations were raised where changes can be made in order to achieve greater control.</p> <p><b>All recommendations were accepted for implementation by management.</b></p>		
Recruitment	<p>Final Report</p> <p>Three priority 1 recommendations were raised as a result of this audit. These were as follows:</p> <ul style="list-style-type: none"> <li>• Management should remind staff within the People Centre staff to retain all recruitment request documentation. Consideration should also be given to enforcing the use of a standard request form in all cases.</li> </ul> <p>In addition, management should introduce a check to confirm that</p>	Limited	



Audit	Status as at 11 September 2009	Assurance Opinion	
	<p>the recruitment request being made has been appropriately approved within the relevant Service Area. This may be through restricting the officers able to submit requests, or through requiring the request form to be approved by a delegated officer;</p> <ul style="list-style-type: none"> <li>• A timetable for completion of stages in the recruitment process is agreed between the People Centre and Service Areas, and adherence to this timetable is monitored, with follow-up action taken where necessary;</li> <li>• Management should formally remind staff of the need for all checks to be satisfactorily completed prior to the final letter of appointment being sent to the successful candidate.</li> </ul> <p>In addition, management should review each checklist prior to the final letter of appointment being sent out, to confirm the completion of all applicable checks.</p> <p>Where exceptions have been identified, management should take action to ensure that the required checks are satisfactorily completed retrospectively; and</p> <p>Five priority 2 recommendations were raised where changes can be made in order to achieve greater control.</p> <p><b>All recommendations were accepted for implementation by management.</b></p>		
Joint Commissioning	<p>Final Report</p> <p>Two priority 1 recommendations were raised as a result of this audit. These were as follows:</p> <ul style="list-style-type: none"> <li>• Management should formally review all existing and future service contracts to ensure compliance with Brent Council Procurement and Management (BCPM) Guidelines.</li> </ul> <p>With regards to all future contracts, it should be ensured that the requirements of the BCPM are fully complied with. In any instance where management deem that this is not possible, they should</p>	Limited	

Audit	Status as at 11 September 2009	Assurance Opinion	
	<p>liaise with Corporate Procurement to determine an appropriate course of action. If it is agreed that strict compliance is not possible then a request for a formal waiver should be made the Council's Executive prior to any further action taking place.</p> <p>If any cases of non compliance are highlighted regarding existing contracts, management should liaise with Corporate Procurement to determine the appropriate course of action.</p> <p>All stages of this process should be documented and retained.</p> <ul style="list-style-type: none"> <li>• Management should formally remind staff of the need to document and retain all elements of the commissioning cycle for each contract.</li> </ul> <p>To assist with this, management should consider introducing a checklist outlining all documentation required to be held for each service commissioned. Management review should then take place against this checklist to confirm that the requirements are being adhered to.</p> <p>One priority 2 recommendation was raised where changes can be made in order to achieve greater control.</p> <p><b>All recommendations were accepted for implementation by management.</b></p>		
Complaints	<p>Final Report</p> <p>Four priority 1 recommendations were raised as a result of this audit. These were as follows:</p> <ul style="list-style-type: none"> <li>• All Service Areas implement service-specific complaints and handling procedures based on the overarching corporate policies and procedures, and that the procedures specifically address complaints relating to service areas. The procedures should also include guidance on making compensation payments.</li> </ul> <p>With regards to guidance on making compensation payments, Service Areas may wish to wait until the Corporate Guidance on</p>	Limited	

Audit	Status as at 11 September 2009	Assurance Opinion	
	<p>Remedies and Compensation Payments is reviewed in line with the new Local Government Ombudsman's Remedies Guidance on Good Practice.</p> <p>In addition, it is recommended that all relevant policies and procedures regarding complaints should be formally reviewed on at least an annual basis;</p> <ul style="list-style-type: none"> <li>• Management should liaise with Tagish in order to agree a support contract for iCasework as a matter of priority.</li> </ul> <p>It is also recommended that senior management meet with Tagish as soon as possible to reconcile any differences of opinion in the development of the software, and to use that meeting to agree a definitive date for its satisfactory implementation;</p> <ul style="list-style-type: none"> <li>• Management should consider putting in place a review system for stage 1 complaint responses, including monitoring of compensation payments.</li> </ul> <p>If it is not deemed practical to review all responses prior to these being sent out, consideration should be given to undertaking checks on a sample basis. This may be considered as an area of responsibility for the Service Area Complaint Managers.</p> <p>As part of such a review, management should take account of points raised in the stage 3 reviews undertaken by the Corporate Complaints Team, checking to ensure that feedback from those reviews is being addressed. In all cases, records of the review / checking process should be maintained and these should be analysed periodically to determine whether there are any common areas of weakness which require addressing, for example through additional training or guidance. This should be fed back to the Corporate Complaints Forum as a standing agenda item; and</p> <ul style="list-style-type: none"> <li>• Management should consider how best to monitor timeliness of acknowledgment at all stages.</li> </ul>		



Audit	Status as at 11 September 2009	Assurance Opinion	
	<p>Where systems do not generate suitable monitoring information, management should consider undertaking spot checks as a detective control.</p> <p>If delays are identified, as was the case from our sample testing, management should determine an appropriate course of action to address this, for example through the provision of additional training to staff or formal reminders on the importance of meeting the target.</p> <p>Seven priority 2 recommendations were raised where changes can be made in order to achieve greater control.</p> <p><b>All recommendations were accepted for implementation by management.</b></p>		

Audit	Status as at 11 September 2009	Assurance Opinion	
Veolia Contract Management / Recycling	<p>Final Report</p> <p>One priority 1 recommendation was raised as a result of this audit. This was as follows:</p> <ul style="list-style-type: none"> <li>Management should investigate the possibility of monitoring overdue rectification orders and all rectification orders on the Contender system for completion, timeliness, rectification points and Ward Officer quality check.</li> </ul> <p>If it is not possible for this to be done via Contender, then management should determine an alternative method for doing so.</p> <p>In addition management should consider the benefit of including additional works to the performance monitoring framework to ensure prompt completion to a satisfactory standards.</p> <p>Three priority 2 recommendations were raised where changes can be made in order to achieve greater control.</p> <p><b>All recommendations were accepted for implementation by management.</b></p>	Substantial	
Frameworki Financial Module Post Implementation (IT)	<p>Final Report</p> <p>No priority 1 recommendations were raised as a result of this audit. However, six priority 2 recommendations and one priority 3 recommendation were raised where changes can be made in order to achieve greater control.</p> <p><b>All recommendations were accepted for implementation by management.</b></p>	Substantial	
Oracle I-Procurement Sanity Check	<p>A Management decision was made to improve the Council's procurement processes by installing the Advanced E-Procurement system, which includes the Internet Procurement module of the standard Oracle e-Business Suite. A project to implement this system was set up, with piloting being undertaken with Children &amp; Families prior to a phased roll-out to the other Service Areas for whom Oracle</p>	N/A	

Audit	Status as at 11 September 2009	Assurance Opinion	
	<p>is already in place.</p> <p>While the purpose of this audit was to provide Management with an initial view on the adequacy of the controls designed and built into the Internet Procurement (I-Procurement) module, it did not include an evaluation of the effectiveness of these controls. The approach was to review the design and specification documentation to identify the key controls being built into the system, the key risks relating to the objectives of Internet Procurement and to assess the adequacy of the controls.</p> <p>An assurance opinion was not appropriate for this piece of work. However, further work may be undertaken as part of future audits of the Oracle application, at which point an assurance opinion will be awarded.</p>		

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.

<b>Audit</b>	<b>Status as at 11 September 2009</b>
Supporting People Programme Grant	Awaiting Management Responses to the Draft Report.
Treasury Management	Awaiting Management Responses to the Draft Report.
Children's Centres Financial Management	Awaiting Management Responses to the Draft Report.
Registration & Nationality Service	Awaiting Management Responses to the Draft Report.
John Kelly Boys School	Awaiting Management Responses to the Draft Report.
John Kelly Girls School	Awaiting Management Responses to Draft Report
Section 106	Awaiting Management Responses to the Draft Report.
Private Sector Procurement Team	Awaiting Management Responses to the Draft Report.
Sundry Debt Recovery Team	Awaiting Management Responses to the Draft Report.
Windows Operating System (IT)	Awaiting Management Responses to the Draft Report.
Pensions Application Audit (IT)	Awaiting Management Responses to the Draft Report.
Treasury Management (BHP)	Awaiting Management Responses to the Draft Report.
Cleaning & Grounds Maintenance Contract Management (BHP)	Awaiting Management Responses to the Draft Report.
Watling Gardens TMO (BHP)	Awaiting Management Responses to the Draft Report.
DomDoc EDM System (BHP) (IT)	Awaiting Management Responses to the Draft Report.
Accuserv Application (BHP) (IT)	Awaiting Management Responses to the Draft Report.
Insurance	In progress.

<b>Audit</b>	<b>Status as at 11 September 2009</b>
Corporate Health & Safety	In progress.
Quality Assurance Systems – Safeguarding	In progress.
Traffic Management Act – Part 3	In progress.
Transportation	In progress.
Government Procurement Cards	In progress.
Stonebridge Estate – Hyde Contract Management	In progress.
Houses in Multiple Occupation	In progress.
LAA Stretch Targets 2006-2009 Certification (14 Stretch Targets to certify)	In progress.
Non Stop Gov (IT)	In progress.
Business Continuity Planning (BHP)	In progress.
Repairs and Voids (BHP)	In progress.
South Kilburn TMO (BHP)	In Progress

### FMSIS Assessments

The table below lists those primary schools for which an FMSIS assessment has been undertaken during the 2009/10 financial year to date, as well as those that are still to be finalised from 2008/09. As explained in the Executive Summary, those that have not yet been finalised from 2008/09 have been given a final extension during which Education Finance have agreed to work with them to address the issues regarding their understanding of the new budget monitoring pro-forma.

The assessments are required to be undertaken in accordance with the guidance issued by the Department for Children, Schools and Families (DCSF) and differ to the standard internal audits. Assurance opinions are not relevant as the schools receive either a Pass, Conditional Pass or Fail against the Standard.

School	Assessment Outcome	Status as at 11 September 2009
<b>2008/09 Assessments</b>		
Mitchell Brook Primary School	Conditional Pass	Extension to 30 September 2009 regarding budget monitoring.
Barham Primary School	Conditional Pass	Extension to 30 September 2009 regarding budget monitoring.
Princess Frederica C.E Primary School	Conditional Pass	Extension to 30 September 2009 regarding budget monitoring.
Park Lane Primary School	Conditional Pass	Extension to 30 September 2009 regarding budget monitoring.
Salisbury Primary School	Conditional Pass	Extension to 30 September 2009 regarding budget monitoring.
John Keble C.E Primary School	Conditional Pass	Extension to 30 September 2009 regarding budget monitoring.
<b>2009/10 Assessments</b>		
Carlton Vale Infant School	Pass	Complete.
Wykeham Primary School	Conditional Pass	School currently within their 20 working day period for addressing the gaps identified as part of the Conditional Pass assessment.
Islamia Primary School	Conditional Pass	School currently within their 20 working day period for addressing the gaps identified as part of the Conditional Pass

School	Assessment Outcome	Status as at 11 September 2009
		assessment.
Kensal Rise Primary School	Conditional Pass	School currently within their 20 working day period for addressing the gaps identified as part of the Conditional Pass assessment.
Grove Park School	Conditional Pass	School currently within their 20 working day period for addressing the gaps identified as part of the Conditional Pass assessment.
Wembley Primary School	Conditional Pass	School currently within their 20 working day period for addressing the gaps identified as part of the Conditional Pass assessment.
St Joseph's R.C Infant School	Conditional Pass	School currently within their 20 working day period for addressing the gaps identified as part of the Conditional Pass assessment.
St Joseph's R.C Junior School	Conditional Pass	School currently within their 20 working day period for addressing the gaps identified as part of the Conditional Pass assessment.
St Mary's RC Primary School	Conditional Pass	School currently within their 20 working day period for addressing the gaps identified as part of the Conditional Pass assessment.
Mora Primary School	Conditional Pass	School currently within their 20 working day period for addressing the gaps identified as part of the Conditional Pass assessment.
The Stonebridge Primary School	Conditional Pass	School currently within their 20 working day period for addressing the gaps identified as part of the Conditional Pass assessment.
Lyon Park Junior School	Conditional Pass	School currently within their 20 working day period for addressing the gaps identified as part of the Conditional Pass assessment.

School	Assessment Outcome	Status as at 11 September 2009
Newfield Primary School	Conditional Pass	School currently within their 20 working day period for addressing the gaps identified as part of the Conditional Pass assessment.
Northwest London Jewish Day Primary School	Fail	School has been given 12 months within which to implement recommendations in order for a re-assessment to be undertaken.



## Follow-Up of Recommendations

The table below provides a summary of the findings from the follow-up work undertaken for the year to date, for which a final report has been issued. As explained in the Executive Summary, limited follow-up work has been undertaken in the year to date given that the approach is being revised. The purpose of this work is to determine the extent to which recommendations raised and agreed with management have now been implemented. For each audit a report has been issued setting out the findings. 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. In all cases these further actions have been agreed, together with responsible officers and new deadlines for completion. These 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.

Please note that we have not included any BHP follow-up work within this table as that is reported on separately to the BHP Audit & Finance Sub-Committee.

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	
Section 52(9) Waste Charges	-	-	3	-	-	1	1	-	-	1	-	4	-	<ul style="list-style-type: none"> <li>Review of current methodology for compiling the monthly High Level Monitoring figures;</li> <li>Determination of a process for verifying and validating the monthly figures and quarterly invoices received from West London Waste Authority; and</li> <li>Follow-up of any variances identified from the verification and validation process.</li> </ul>
	-	-	3	-	-	1	1	-	-	1	-	4	-	





## 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 2009/10 Internal Audit Plan.

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

<b>Audit</b>	<b>Sufficient notice was provided prior to the start of the audit</b>	<b>Communication of audit objectives, purpose and scope</b>	<b>Effectiveness and professionalism of the auditor(s)</b>	<b>Auditor(s) understanding of the service you provide</b>	<b>Quality of exit meeting and discussion of report findings</b>	<b>Quality, accuracy and usefulness of the report</b>	<b>Overall opinion of the audit</b>
Veolia Contract Management / Recycling	4	4	4	3	4	4	<b>4</b>
Complaints	4	5	3	3	4	4	<b>4</b>
Home Care Contract Management	5	4	4	4	3	3	<b>3</b>

## Appendix A – Audit Team and Contact Details

London Borough of Brent	Contact Details
Simon Lane – Head of Audit & Investigations	 <a href="mailto:simon.lane@brent.gov.uk">simon.lane@brent.gov.uk</a>
Aina Uduehi – Audit Manager	 020 8937 1260
	 <a href="mailto:aina.uduehi@brent.gov.uk">aina.uduehi@brent.gov.uk</a>
	 020 8937 1495

Deloitte & Touche Public Sector Internal Audit Limited	Contact Details
Richard Evans – General Manager	 <a href="mailto:phil.lawson@brent.gov.uk">phil.lawson@brent.gov.uk</a>
Phil Lawson – Senior Audit Manager	 020 8937 1493
Shahab Hussein – Senior Computer Audit Manager	

## Appendix B – Progress Against 2009/10 Internal Audit Plan

The table below sets out the detailed progress made against the agreed 2009/10 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, and also any for which the planned timing has had to be amended.

Shaded cells indicate that the audits were not due for commencement within the reporting period.

**Table 1 – Overall Plan**

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
<b>CROSS COUNCIL AUDITS (70 Days) (reduced to 60 days)</b>					
Corporate Health & Safety	10	To focus on the controls in place with regards to managing health and safety across the Council. It is proposed that the specific scope of the audit should be aligned to the 10 point Health & Safety Service Plan produced for 2008/09, as this was formulated on the basis of the Health & Safety Commission (HSC) / industry guidance 'Health & Safety Leadership Checklist'. Consideration will also be given to the extent to which the new Health & Safety (Offences) Bill and the recently enacted Corporate Manslaughter & Corporate Homicide Act 2007 have been embedded into the Council's arrangements.	Geoff Galilee – Service Unit Director, Health, Safety & Licensing	Qtr 1	In progress – Draft Report to be issued by the end of September 2009.
Registers of Interest / Gifts & Hospitality	10 (reduced to 0)	To focus on the controls in place across the Council for ensuring that officers declare any interests / gifts & hospitality; that gifts & hospitality are only accepted in line with Council policy; and that appropriate follow-up actions are taken by	To be determined	Qtr 1	Audit removed from the Plan due to the new Policy not yet having been implemented – to be included in the 2010/11

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
		management to ensure that any officers declaring interests / gifts & hospitality are operating in an appropriate manner.			Plan.
Use of Consultants	10	To focus on the controls in place around the identification of need for consultants to be engaged; the hiring of appropriately skilled and experienced consultants; the achievement of value for money in the hiring of consultants; and the monitoring of performance and time input for those consultants engaged.	To be determined	Qtr 2	Not yet started – specific scope still to be determined.
Project Management – feeding into One Council Review (part Contract Audit)	10	To feed into the Once Council review being led by the Assistant Director of Regeneration on the management of Major Regeneration Programmes and Major Projects. Specific scope and approach still to be discussed with the Assistant Director of Regeneration. Work to be combined with IT Project Management, as included within the IT Plan.	Andy Donald – Assistant Director of Regeneration	To be determined	Senior Manager and Contract Audit Manager attended an initial workshop in June 2009. Awaiting indication from Assistant Director of Regeneration on when further input is appropriate.
Local Public Service Agreement (LPSA) – Efficiency Target	10	Completion of necessary checks in order to certify that the stretch efficiency target has been met, thereby enabling the Council to claim the associated Performance Reward Grant.	Duncan McCleod – Director of Finance	Qtr 2	Audited as part of LAA Stretch Targets Certification in Qtr 2.
Annual Governance Statement	20	Production of the Annual Governance Statement through the co-ordination of the completion of the Certificates of Assurance by Directors and the annual	Simon Lane – Head of Audit & Investigations / Directors	Qtr 4	

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
		review of the Council's Corporate Governance Action Plan.			
<b>FINANCE &amp; CORPORATE RESOURCES (108 Days)</b>					
Council Tax	15	Annual systems audit focussing on key controls and any systems changes.	Paula Buckley – Head of Client Team – Revenue & Benefits	Qtr 3	
Housing & Council Tax Benefits	15	Annual systems audit focussing on key controls and any systems changes.	David Oates – Head of Benefits – Revenue & Benefits	Qtr 3	
NNDR	15	Annual systems audit focussing on key controls and any systems changes.	Paula Buckley – Head of Client Team – Revenue & Benefits	Qtr 3	
Treasury Management	10	Annual systems audit focussing on key controls and any systems changes.	Martin Spriggs – Head of Exchequer & Investment	Qtr 1	Draft Report issued – awaiting management responses.
Internal Financial Controls	15	Annual audit focussing on key financial controls operating within the Service Areas and the extent to which the Council's Financial Regulations are being complied with. Specific areas of focus include the raising of invoices; receipt of income; debt recovery and write-off; payments; BACs and cheque controls; journals; and reconciliations.	Mark Peart – Head of Financial Management	Qtr 4	

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
Sundry Debt Recovery Team	8	To focus on the systems of control being designed and implemented by the new Sundry Debt Recovery Team to take responsibility for debt recovery across the Council.	Sarah Cardno – Exchequer Services Manager	Qtr 2	Draft Report issued – awaiting management responses.
Insurance	10	To focus on the controls in place around the Council's insurance function. Specific areas of focus are likely to include identification of required insurance coverage; raising of claims; monitoring progress and receipt of claims; processing of claims made against the Council; monitoring of claims received against the Council; and action taken to minimise the receipt of claims.	Alison Matheson – Head of Procurement Strategy & Risk Management	Qtr 1	Draft Report in Progress
Procurement - feeding into One Council Review (part Contract Audit)	10	To feed into the Once Council review being led by the Head of Procurement Strategy & Risk Management and the Borough Solicitor on Procurement and Contract Management.  Specific scope and approach still to be discussed with the Head of Procurement Strategy & Risk Management and the Borough Solicitor.	Alison Matheson – Head of Procurement Strategy & Risk Management	To be determined	Awaiting indication from Head of Procurement Strategy & Risk Management as to when input is appropriate.
Procurement - post One Council Review (part Contract Audit)	10	To focus on the controls put in place as part of the One Council review and the extent to which these are being effectively operated.	Alison Matheson – Head of Procurement Strategy & Risk Management	Qtr 4	
<b>CHILDREN &amp; FAMILIES (220 Days) (increased to 248 days)</b>					

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
FMSIS Assessments	110	Completion of assessments for the 25 remaining primary schools.	Bharat Jashapara – Head of Finance – Children & Families	Across the year	In progress – see breakdown in Executive Summary.
Schools Thematic Work	10	To focus on a specific theme 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 controls in respect of fraud and non-fraud risks in that area.  Thematic work being undertaken in 2008/09 is focussing on Procurement and compliance with the Financial Regulations for Schools.	Bharat Jashapara – Head of Finance	Qtr 3	
Fostering & Adoption	10 (reduced to 0)	To focus on the controls in place around the assessment and approval of persons applying to be carers.	Graham Genoni – Assistant Director of Social Care	Qtr 1	Audit removed from the Plan as OFSTED inspection in this area – days being put towards addition of Foundation Schools.
SEN Statementing	10	To feed into the Improvement & Efficiency review being undertaken in this area. Specific scope and approach still to be discussed with the Assistant Director of Achievement & Inclusion.	Rik Boxer – Assistant Director of Achievement & Inclusion	To be determined	Most appropriate timing still to be determined with the Assistant Director of Achievement & Inclusion and the BEST Team.
Child Protection	15	To feed into the Improvement & Efficiency review being undertaken in this area. Specific scope and approach still to be discussed with the Assistant Director of	Graham Genoni – Assistant Director of Social Care	To be determined	Most appropriate timing still to be determined with the Assistant Director of Social Care and the BEST Team.



AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
		Social Care.			
Joint Commissioning	10	To focus on the controls in place around the operations of the Joint Commissioning Team. Specific areas of focus are likely to include the achievement of value for money; compliance with the Council's Financial Regulations; management of partnership risk; and contract management.	Krutika Pau – Assistant Director of Strategy & Partnerships	Qtr 1	Final Report issued.
Internal Financial Controls	15	Annual audit focussing on key financial controls operating within the Service Areas and the extent to which the Council's Financial Regulations are being complied with. Specific areas of focus include the raising of invoices; receipt of income; debt recovery and write-off; payments; BACs and cheque controls; journals; and reconciliations.	Bharat Jashapara – Head of Finance – Children & Families	Qtr 4	
Wembley Park Academy Project (Contract Audit)	12	To focus on controls in place around the ongoing management of the Wembley Park Academy project. Contract audit work has been undertaken in 2008/09 focusing on initial stages of the project, including controls around tendering and governance structures.	Mustafa Salih – Assistant Director of Finance & Performance	To be determined	Most appropriate timing still to be determined with the Director of Finance & Performance.
Early Years	10 (reduced to 0)	To focus on the controls in place around the co-ordination of the service and the award of grant funding to nurseries.	Krutika Pau – Assistant Director of Strategy & Partnerships	Qtr 2	Audit removed from the Plan as work on Children's Centres has partly covered this – days being put towards addition of Foundation Schools.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
Children's Centre Establishment Visit	10	To focus on the controls in place around the management and administration of a chosen Children's Centre. Specific areas of focus are likely to include governance; staffing; procurement; income; management of assets; and budgetary control.  Specific Children's Centre to be agreed with the Assistant Director of Strategy & Partnerships and the Head of Finance.	Krutika Pau – Assistant Director of Strategy & Partnerships	Qtr 1	Draft Report issued – awaiting management responses.
Other Establishment Visit	8	To focus on the controls in place around the management and administration of a chosen establishment (not a school or Children's Centre). Specific areas of focus are likely to include governance; staffing; procurement; income; management of assets; and budgetary control.  Specific establishment to be agreed with the Assistant Director of Achievement & Inclusion and the Head of Finance.	Rik Boxer – Assistant Director of Achievement & Inclusion	Qtr 2	Deferred to Qtr 3.
Foundation Schools (Audit + FMSiS Re-Assessment)	48 <i>(added to the Plan)</i>	Audits of four Foundation Schools plus FMSiS re-assessment in line with the DCSF's three year cycle.  The remaining Foundation Schools will be audited and re-assessed as part of the 2010/11 Internal Audit Plan.	Bharat Jashapara – Head of Finance – Children & Families	Qtr 4	
<b>ENVIRONMENT &amp; CULTURE (107 Days) (reduced to 104 days)</b>					

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
Sports Service	12	To focus on the systems of control in place within the internally managed Bridge Park and Charteris Centres. Specific areas of focus are likely to include the receipt of income at the Centres; recruitment and training of appropriate staff; maintenance and health & safety management; and performance management.  This work will build on the internal audit undertaken in 2008/09 around the management of the contracts for the externally managed Willesden and Vale Farm Centres.	Sue Harper – Assistant Director, Leisure & Regeneration	Qtr 2	Deferred to Qtr 3 due to staff availability issues and other urgent projects.
Transportation	15	To focus on the controls implemented within Transportation following restructuring and internal review work undertaken in 2008/09.  Specific scope and approach still to be discussed with the Assistant Director, Streets & Transportation.	Irfan Malik – Assistant Director, Streets & Transportation	Qtr 2	In Progress
Internal Financial Controls	15	Annual audit focussing on key financial controls operating within the Service Areas and the extent to which the Council's Financial Regulations are being complied with. Specific areas of focus include the raising of invoices; receipt of income; debt recovery and write-off; payments; BACs and cheque controls; journals; and reconciliations.	Ken Patterson – Head of Finance	Qtr 4	

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
Traffic Management Act – Part 3	10 <i>(increased to 12)</i>	To focus on the controls in place to ensure the Council's compliance with the Traffic Management Act 2004. Specific areas of focus are likely to include network management and enforcement policies; issuing of permits and collection of fees; inspections; fixed penalty notices; and performance monitoring.  <i>Additional two days added due to the audit looking at both the existing controls around 'notifications' and the Council's preparedness for the implementation of the new London Operational Permit Scheme (LoPS).</i>	Irfan Malik – Assistant Director, Streets & Transportation	Qtr 2	In Progress.
Section 106	10	To focus on the controls in place around the Identification and agreement of S106 monies; receipt of monies; and identification of the use of funds.	Michael Read – Assistant Director, Policy & Regulation	Qtr 2	Draft Report issued – awaiting management responses.
Recycling	10 <i>(reduced to 0)</i>	To focus on the controls in place around the Council's recycling service, including the enforcement of the compulsory green box recycling scheme and administration of the other methods of recycling available to residents.	Keith Balmer – Director of StreetCare	Qtr 1	Audit combined with Veolia Contract Management – five days added to budget for Veolia Contract Management and five added to contingency
Libraries	15	To focus on the systems of control in place following the recent restructuring of the Library Service, including the controls in place to ensure compliance across individual libraries.	Sue Harper – Assistant Director, Leisure & Regeneration	Qtr 4	Postponed to Quarter 4 due to restructuring of service.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
Veolia Contract Management (Contract Audit)	10 <i>(increased to 15)</i>	To focus on the controls in place around the management of the waste management contract with Veolia.	Keith Balmer – Director of StreetCare	Qtr 1	Final Report issued.
Environmental Health	10	To feed into the Improvement & Efficiency review being undertaken in this area. Specific scope and approach still to be discussed with the Assistant Director, Policy & Regulation.	Michael Read – Assistant Director, Policy & Regulation	To be determined	Audit likely to be removed from the Plan as scale of changes being made is believed to be relatively small. To be confirmed with the Assistant Director, Policy & Regulation.
<b>HOUSING (55 Days)</b>					
Internal Financial Controls	15	Annual audit focussing on key financial controls operating within the Service Areas and the extent to which the Council's Financial Regulations are being complied with. Specific areas of focus include the raising of invoices; receipt of income; debt recovery and write-off; payments; BACs and cheque controls; journals; and reconciliations.	Eamonn McCarroll – Head of Finance	Qtr 4	
HMO (Houses in Multiple Occupation) Licensing	10	To focus on the controls in place around the processing of applications for HMO licenses; confirming compliance with qualifying requirements; the receipt of income for licenses; and ongoing monitoring / enforcement.	Perry Singh – Assistant Director, Housing Needs / Private Sector	Qtr 1	Audit postponed to Qtr 2 to allow for certification of Supporting People Programme Grant. Audit now in progress.
Supporting People Programme Grant	10 <i>(added to the Plan)</i>	Certification of Supporting People Programme Grant-	Liz Zacharias	-	Audit added to the Plan and replaced with HMO audit scheduled for Qtr 1 deferred to Qtr 2.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
					Draft Report issued – awaiting management responses.
Private Sector Procurement Team	10	To focus on the controls in place around the procurement of private sector properties by the recently integrated Private Sector Procurement Team.	Perry Singh – Assistant Director, Housing Needs / Private Sector	Qtr 2	Draft Report issued – awaiting management responses.
Performance Indicators	10 (reduced to 0)	To focus on the controls in place around the collection, collation, verification and reporting of data relating to key Housing performance indicators.	Tony Hirsch – Head of Policy & Performance	Qtr 1	Replaced by audit of Supporting People Programme Grant not previously included on Plan.
Stonebridge Estate – Hyde Contract Management	10	To focus on the controls in place around the management of the Stonebridge Estate contract with Hyde Group.	Maggie Rafalowicz – Assistant Director, Housing Strategy & Regeneration	Qtr 3	In Progress.
<b>COMMUNITY CARE (111 Days)</b>					
Transformation – Assessment & Care Management	20	To focus on the adequacy of controls implemented or being implemented in relation to the new assessment and care management framework being developed as part of the Adult Social Care Transformation Programme. Potentially to also conduct testing around the effectiveness of controls where implemented.	Christabel Shawcross – Assistant Director, Community Care	Qtr 4	

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
Transformation – Self Directed Support	10	To focus on the progress made in the development and implementation of systems of control in respect of Self Directed Support. Internal audit work has been undertaken as part of the 2008/09 Plan, but has been more focussed on assessing the adequacy of any controls currently being planned for implementation as well as facilitating further discussion on specific issues to be considered during the development stages.	Lance Douglas – Assistant Director, Quality & Support	Qtr 2	Most appropriate timing and scope still to be determined with the Assistant Director, Quality & Support.
Grants to Voluntary Organisations	10	To focus on the controls being implemented as part of the restructure of this area, in terms of the way in which the Main Programme Grant is allocated and administered, and the way in which the team responsible for this operates. The implementation of further actions identified as being necessary from the 2008/09 follow-up of the 2007/08 internal audit in this area will also be focussed upon in this audit.	Linda Martin – Head of Service Development & Commissioning	Qtr 3	
Internal Financial Controls	15	Annual audit focussing on key financial controls operating within the Service Areas and the extent to which the Council's Financial Regulations are being complied with. Specific areas of focus include the raising of invoices; receipt of income; debt recovery and write-off; payments; BACs and cheque controls; journals; and reconciliations.	Gordon Fryer – Assistant Director, Finance & Resources	Qtr 4	

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
Appointeeships & Deputyships	10	To focus on the controls in place around the management of funds for vulnerable clients.  This area was previously audited at the end of 2006/07 but has not yet been followed up due to the implementation of the finance module within Frameworki and the migration of financial data to that system. That migration is now nearing completion after which this audit will take place.	Gordon Fryer – Assistant Director, Finance & Resources	Qtr 1	Work was requested to be postponed due to delays with full migration to Frameworki Financials. Most appropriate timing still to be agreed, but likely to be Qtr3 or 4.
Mental Health Integration with Central & North West London Mental Health Trust	10	To focus on the controls being planned and implemented as part of the integration of the Mental Health Service and Central & North West London Mental Health Trust.	Christabel Shawcross – Assistant Director, Community Care	To be determined	
Blue Badges	8	To focus on the controls in place over the processing of applications for a Blue Badge, including verifying entitlement and avoiding duplicate awards.	Christabel Shawcross – Assistant Director, Community Care	Qtr 2	Specific timing still to be agreed as new Team Manager. Likely to be early Qtr 3.
Quality Assurance Systems - Safeguarding	10	To focus on the controls being designed and implemented as part of a new quality assurance system to address the action plan resulting from the recent CSCI (Commission for Social Care Inspection) inspection. The focus will be on the adequacy of these controls as opposed to on their effectiveness at this stage.	Christabel Shawcross – Assistant Director, Community Care	Qtr 1	In Progress



AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
Home Care Contract Management (Contract Audit)	10	To focus on the controls in place around the management of the Home Care contract.	Linda Martin – Head of Service Development & Commissioning	Qtr 1	Final Report issued.
Establishment visit	8	To focus on the controls in place around the management and administration of a chosen establishment. Specific areas of focus are likely to include staffing; procurement; income and cash handling; management of assets; and budgetary control.  Specific establishment to be agreed with the Assistant Director, Community Care.	Christabel Shawcross – Assistant Director, Community Care	Qtr 2	Focus of this work has been amended. Rather than visiting one establishment, a report is being written to summarise the common weaknesses that have been identified across the establishments in recent audits. A workshop will then be organised with key officers to discuss this, so as to help ensure a shared understanding and to try and address the weaknesses in a consistent manner across all establishments.
<b>POLICY &amp; REGENERATION (45 Days)</b>					
Performance Management/LAA Stretch Targets Certification	15	Specific use of these days is still to be discussed with the Assistant Director, Policy.  Work undertaken in 2008/09 has focused on the controls in place around the collection, collation, verification and reporting of data in relation to a number of	Cathy Tyson – Assistant Director, Policy	Qtr 2 & 3	14 Stretch Targets to be certified. Work in progress.  Days have been put towards the work required in relation to the Local Area Agreement Stretch Targets.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
		performance indicators, including the Local Area Agreement (LAA) Stretch Targets.			
Complaints	10	To focus on the controls in place for ensuring that all received complaints are dealt with in an appropriate and timely manner, in accordance with the Council's Complaints Policy, and the extent to which controls are in place for seeking to minimise future complaints.	Susan Riddle – Corporate Complaints Manager	Qtr 1	Final Report issued.
Regeneration	20	Specific use of these days is still to be discussed with the Assistant Director of Regeneration	Andy Donald – Assistant Director of Regeneration	To be determined	Initial discussions were held with the Assistant Director of Regeneration to discuss potential coverage. Specific work still needs to be agreed, or the days will be re-allocated to alternative audits.
<b>COMMUNICATION &amp; DIVERSITY (10 Days) (reduced to 0 days)</b>					
Equalities	10 (reduced to 0)	To focus on the controls in place in respect of managing equality related issues across the Council, and preparedness for the changes being introduced around the Standard.  Currently the Corporate Diversity Team are focusing on the Council achieving Level 4 against the Standard, having already achieved Level 3.  Further discussions will be held with the Head of Diversity regarding the exact focus of this audit so as to avoid any	Jennifer Crook – Head of Diversity	Qtr 3	Audit removed from the Plan in agreement with the Head of Diversity due to coverage from the external assessments.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
		duplication with the external assessment against the Standard.			
<b>BOROUGH SOLICITOR (12 Days)</b>					
Registration and Nationality Service	12	To focus on the controls in place around processing requests for checking British Citizenship applications; registering births and deaths; taking notices of intent to marry or join in civil partnership; and the receipt of income for each of the above.	Mark Rimmer – Service Unit Director – Registration & Nationality Service	Qtr 1	Draft Report issued – awaiting management responses.
<b>BUSINESS TRANSFORMATION (206 Days)</b>					
IT	146	See separate plan – Table 2	-	-	See Table 2.
Payroll	15	Annual systems audit focussing on key controls and any systems changes.	Simon Britton – Head of The People Centre	Qtr 3	Not originally due until Qtr 3. However, Head of Payroll has requested a deferral to late Qtr 3 or Qtr 4 due to resources being focused on implementation of the sickness absence module in October 2009.
Government Procurement Cards	10	To focus on the controls in place around Government Procurement Cards (GPC). Specific areas of focus are likely to include the provision of GPCs; review of card holder's expenditure; and monitoring of	Simon Britton – Head of The People Centre	Qtr 2	In Progress

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
		overall spending patterns.			
Recruitment (existing arrangements)	10	To focus on the controls in place around recruitment. Specific areas of focus are likely to include approval of new posts; advertising of vacancies; assessment of candidates; and approval of job awards.	Simon Britton – Head of The People Centre	Qtr 1	Final Report issued
Employee Verification	10	To focus on the controls implemented around the new arrangements for directly awarding work permits to job applicants to the Council and the schools (the Council is now licensed to award these under the Government's new points based scheme). Also to focus on compliance with the Council's newly updated CRB policy.	Simon Britton – Head of The People Centre	Qtr 3	
Civic Centre Project (part Contract Audit)	15	To focus on the controls in place over the management of the project as a whole, as well as potential focus on the specific construction elements of the project from a contract audit perspective and / or the management of other sub-elements of the overall project.  Specific scope and approach still to be discussed with the Assistant Director, Business Transformation.	Aktar Choudhary – Assistant Director, Business Transformation	To be determined	Contract Audit Manager has met with Assistant Director, Business Transformation to discuss potential coverage. Most appropriate timing still to be determined.
<b>OTHER</b>					
<b>Brent Housing Partnership (BHP)</b>	128	See separate plan – Table 3	-	-	See Table 3.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
<b>Consultation, Communication and Reporting (Deloitte)</b>	85	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 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.	N/A	Throughout the year	In progress.
<b>Follow-Up</b>	40	Completion of follow-up work on all recommendations raised and agreed as part of the 2008/09 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.	N/A – dependent upon each internal audit to be followed-up	Throughout the year	In progress.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
<b>Contingency</b>	9 ( <i>reduced from 14</i> )	<p>To be allocated to any new developments or new / emerging risk areas during the course of the year.</p> <p>The number of days assigned to contingency is relatively low given the overall size of the Plan. However, based on previous years, this is likely to grow during the course of the year due to audits needing to be postponed due to delays in projects / new developments being fully implemented. 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 2010/11.</p>	N/A – dependent upon work required	N/A – dependent upon work required	<p>The contingency balance has fallen as a result of the various movements indicated in the Plan, with the additions exceeding the reductions by five days.</p> <p>The low contingency balance is not a concern in terms of being able to respond to any requests that may arise for additional work during the remaining months, given that a number of audits have been indicated above as potentially dropping out of the Plan.</p>
<b>TOTAL</b>	<b>1211</b>				

**Table 2 – IT Plan**

<b>AUDIT</b>	<b>DAYS</b>	<b>PROPOSED COVERAGE</b>	<b>KEY CONTACT</b>	<b>PROPOSED TIMING</b>	<b>STATUS AS AT 11 SEPTEMBER</b>
Oracle Application Audit	10	To focus on the new version of Oracle to be used by Housing & Community Care and Children & Families from April 2009. Specific areas of focus are likely to include access controls; data input controls; data processing controls; data output controls; data interfaces; management trails; backup and recovery; and maintenance and support arrangements.  The audit will also take account of previous findings from the Application Audit done with Housing & Community Care in 2007/08, as followed-up in 2008/09.	Mark Peart – Head of Financial Management	Qtr 1	Deferral requested by Head of Financial Management due to focus on year-end closing of accounts and progressing Oracle roll-out. Most appropriate timing still to be agreed, but likely to be late Qtr 3 or Qtr 4.
Oracle I-Procurement Pre-Implementation ('Sanity Check')	7	New I-Procurement module due to be piloted in Children & Families in May / June 2009. To undertake a 'sanity check' on the adequacy of the IT controls built into this module prior to full roll out by management.	Mark Peart – Head of Financial Management	Qtr 1	Final Report issued.
Oracle Pre-Implementation (Environment & Culture and Finance & Corporate Resources)	10	Environment & Culture and Finance & Corporate Resources due to go live on Oracle from 1 April 2010. Pre-Implementation Audit to cover these two Service Areas, but scope to be tailored to focus on key areas. Some areas of scope to be considered for exclusion where they have been previously covered in the Children & Families Pre-Implementation Audit, although any previously raised recommendations to be followed-up where further actions have been identified as necessary from our 2008/09 work.	Mark Peart – Head of Financial Management	Qtr 3	

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
Government Gateway Post Implementation	10	Postponed from 2008/09 due to delay in implementation. Post Implementation audit focusing on the controls in place around user requirements; maintenance and support arrangements; security; interfaces; and the assessment of the benefits realised by the project.	Raj Seedher – IT Standards Manager	Qtr 2	Deferred due to ongoing delays with implementation. Most appropriate timing still to be determined.
Framework Financials Post Implementation	10	Post Implementation audit focusing on the controls in place around user requirements; maintenance and support arrangements; security; interfaces; and the assessment of the benefits realised by the project.	Gordon Fryer – Assistant Director, Finance, Adult Social Care	Qtr 2	Final Report – issued.
Contact Point	10	Council are required to provide assurances prior to being given access to the national Contact Point database. To focus on the controls in place to ensure that those assurances can be given, and to potentially feed into the provision of the required assurances.	Bhavna Bilimoria – Special Project Manager, Children & Families	To be determined	Most appropriate timing still to be determined as delays with implementation nationally. Seeking to undertake a cross borough audit as part of the West London Framework
AXIS Post Implementation (cash receipting system - previously Spectrum)	10	First part of the new system covering telephone and online payments is due to go live in March 2009. Full implementation due September 2009. Post Implementation audit focusing on the controls in place around user requirements; maintenance and support arrangements; security; interfaces; and the assessment of the benefits realised by the project.	Sarah Cardno – Exchequer Services Manager	Qtr 3	



AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
LAGAN Post Implementation (new CRM system)	10	Post Implementation audit focusing on the controls in place around user requirements; maintenance and support arrangements; security; interfaces; and the assessment of the benefits realised by the project.	Tom Lloyd – ITU Operations Manager	To be determined	Most appropriate timing still to be agreed with ITU Operations Manager.
Windows Operating System	8	To focus on the controls in place around areas including system wide security; user access; remote access; network sharing; updates and patches; backup and recovery; and maintenance and support arrangements.	Tom Lloyd – ITU Operations Manager	Qtr 1	Draft Report issued – awaiting management responses.
Business Continuity Planning (IT elements of corporate arrangements)	10	To focus on the IT elements of the corporate BCP arrangements. General internal audit work has been undertaken in relation to the development of BCP across the Council as part of both the 2007/08 and 2008/09 Plans, but coverage has not extended to IT. Recent IT audits have also identified further improvements as being necessary in respect of disaster recovery.	Tom Lloyd – ITU Operations Manager	Qtr 4	
Non-Stop Gov	7	To focus on the support arrangements as concerns raised regarding these by the ITU Operations Manager.	Judith Young – Head of Policy, Information & Performance, Environment & Culture	Qtr 2	In progress.
IT Project Management	10	To feed into the Once Council review being led by the Assistant Director of Regeneration on the management of Major Regeneration Programmes and Major Projects.	Andy Donald – Assistant Director of Regeneration / Tom Lloyd – ITU	To be determined	See comments against Project Management in Table 1.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
		Specific scope and approach still to be discussed with the Assistant Director of Regeneration and with the ITU Operations Manager.  Work to be combined with the internal audit work on Project Management, as included within the main Plan.	Operations Manager		
Pensions Application Audit	10	To focus on the controls in place around the Pensions application operated by the London Pensions Fund Authority in respect of the Council's pensions administration function. Specific areas of focus are likely to include access controls; data input controls; data processing controls; data output controls; data interfaces; management trails; backup and recovery; and maintenance and support arrangements.	Andrew Gray – Pensions Manager	Qtr 1	Draft Report issued – awaiting management responses.
e-Recruitment Post Implementation	8	Post Implementation audit focusing on the controls in place around user requirements; maintenance and support arrangements; security; interfaces; and the assessment of the benefits realised by the project.	Simon Britton – Head of The People Centre	Qtr 3	
<b>IT Follow-Ups</b>	16	Completion of follow-up work on all recommendations raised and agreed as part of the 2008/09 IT Audit Plan, where the same audits are not being undertaken again as part of the 2009/10 IT 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 IT audits.	N/A – dependent upon each internal audit to be followed-up	Throughout the year	In progress.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
<b>TOTAL</b>	<b>146</b>				

**Table 3 – BHP Plan**

This Plan has been formulated separately with the Financial Controller and Financial Operations Manager at BHP. The Plan will be presented separately to BHP's Audit & Finance Sub-Committee for agreement, but is presented here for Members' reference.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
Housing Repairs & Maintenance	12	Annual systems audit focussing on key controls and any systems changes.	Gerry Doherty – Director of Technical Services	Qtr 3	
Housing Rents	12	Annual systems audit focussing on key controls and any systems changes.	David Bishopp – Rent Accounting & Performance Manager	Qtr 3	
Repairs & Voids	10	To focus on the controls in place around repairs & voids, as implemented / revised following the implementation of the new Accuserve costing system. Specific areas of focus are likely to include identification of required works; costing of works; review of completed works; variations; and payments to operatives / sub-contractors.  The timing of this audit will coincide with the IT audit of the Accuserve application. The intention being to provide assurances on both the IT and non-IT controls at the same time so as to assist management with making any further improvements where necessary.	Gerry Doherty – Director of Technical Services	Qtr 3 (brought forward to Qtr 2)	Draft Report issued – awaiting management responses.
Accuserve (Repairs & Voids) (IT Audit)	10	To focus on the Accuserve application. As above, the timing of this audit will coincide with the internal audit of the Repairs & Voids function as a whole. The intention being to provide assurances on both the IT	Gerry Doherty – Director of Technical Services	Qtr 3 (brought forward to Qtr 2)	Draft Report issued – awaiting management responses.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
		and non-IT controls at the same time so as to assist management with making any further improvements where necessary.			
Internal Financial Controls	10	Annual audit focussing on key financial controls operating within BHP and the extent to which the Financial Regulations are being complied with. Specific areas of focus include the raising of invoices; receipt of income; debt recovery and write-off; payments; BACs and cheque controls; journals; and reconciliations.	Greg Trenear – Financial Controller	Qtr 4	
Treasury Management	10	To focus on the controls in place around the treasury management function. Specific areas of focus are likely to include compliance with legislative requirements; recording of loans and investments; monitoring of cash flow; reconciliations; and reporting.	Greg Trenear – Financial Controller	Qtr 1	Draft Report issued – awaiting management responses.
Business Continuity Planning	10	To focus on the controls in place around the specific business continuity arrangements for BHP (with the exception of IT, BHP has separate arrangements to those of the Council). Specific areas of focus are likely to include the identification of key activities and staff; the identification and assessment of the likelihood and impact of potential threats; the formulation of a business continuity strategy and business continuity plan; awareness and training; maintaining and exercising the plan; and public relations and crisis co-ordination.	Mike Dwyer – Director of Standards & Procurement	Qtr 1	In Progress.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
Cleaning and Grounds Maintenance Contract Management (Contract Audit)	10	To focus on the controls in place around the management of the cleaning and grounds maintenance contracts.	Mike Dwyer – Director of Standards & Procurement	Qtr 2	Draft Report issued – awaiting management responses.
Brentfield Estate Project (Contract Audit)	12 (reduced to 0)	To focus on the controls in place around the management of the Brentfield Estate Project. Specific areas of focus are likely to include financial control; selection of contractors and letting of the contract; appointment of consultants; tender receipt and evaluation; bonds/insurance; contract variations and provisional sums; valuations and estimations of final cost; liquidated damages; defect liability period; contractual claims; CDM regulations; and progress monitoring.	Gerry Doherty – Director of Technical Services / Sue DeSouza – Special Projects	To be determined	Audit removed from the Plan as being undertaken as part of additional Contract Audit work agreed separately with the Director of Finance for BHP. Days transferred to work on Risk Management (see below)
Risk Management	12 (added to the Plan, as above)	Work is being undertaken to assist the Director of Finance with further developing the risk management framework.	Gary Chase – Director of Finance	Qtr 2 and ongoing	Draft Report issued.
Tenant Management Organisations	10	To focus on the controls in place around Tenant Management Organisations (TMOs). Specific areas of focus are likely to include governance; staffing; procurement; income; management of assets; and budgetary control.  Specific TMO to be agreed with the Head of Governance & Communications.	Linda Footer – Head of Governance & Communications	Qtr 2	Work in Progress Watling Gardens TMO and South Kilburn TMO to be audited.  Watling Gardens – Draft Report issued.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	PROPOSED TIMING	STATUS AS AT 11 SEPTEMBER
Dom Doc – EDM System (IT Audit)	10	Dom Doc is the Electronic Document Management system used by frontline staff across BHP. Specific areas of focus are likely to include access controls; data input controls; data processing controls; data output controls; data interfaces; management trails; backup and recovery; and maintenance and support arrangements.	Mike Dwyer – Director of Standards & Procurement	Qtr 1	Draft Report issued – awaiting management responses.
<b>Consultation, Communication, Reporting and Follow-Up</b>	12	To cover attendance by Internal Audit management at Audit 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 audit work.  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.	N/A	Throughout the year	In progress.
<b>TOTAL</b>	<b>128</b>				