

Internal Audit Plan Report 2008/09
London Borough of Brent
March 2008



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Executive Summary

Introduction

All Local Authorities are required to make proper provision for Internal Audit in line the 1972 Local Government Act and the Accounts and Audit Regulations 2003. The CIPFA “Code of Practice for Internal Audit in Local Government in the United Kingdom (2006)” requires the proper planning of audit work.

This document sets out the detailed areas of coverage for review by the Audit Committee, broad areas of coverage in the audit plan for 2008 / 09. A more detailed plan which will include a summary of each individual audit will be presented at the next meeting of the Audit Committee.

Summary of audit days by type

Internal Audit work is to be split across five major areas as summarised in Table 1 below.

Area	No of Planned Audit Days
Key Financial Systems	95
Corporate and Strategic Audits	130
Contract Audit	55
Computer Audit	100
Service Area Operational Audits	820
Total	1200

Table 1: Allocation of Audit days by Audit Type

Summary of audit days by Service Area and other

The split by service areas is as follows:

Service Area	No. of Planned Audit Days
Cross Cutting Reviews & Central Services	185
Finance and Corporate Resources	145
Children & Families	50
Schools	190
Environment & Culture	110

	Housing & Community Care (inc BHP - 100)	230
	Main IT Systems	100
	Advice, Consultancy & Contingencies	140
	Follow-Up Audits	50
	Total	1200

Internal Audit Provision	Internal Audit provision is via an in-house team of two staff working in partnership with Deloitte and Touche Public Sector Internal Audit Ltd under a contractual arrangement. Deloitte staff will provide approximately 950 days coverage with the in-house team providing the remainder.
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Consultation & Joint Working	<p>The programme of work has been compiled on the basis of a risk assessment of the Council's major systems and following consultation with a number of stakeholders including service area departmental management teams.</p> <p>In 2008/09 internal and external audit will continue to work in the basis of a joint approach. The joint approach will involve sharing plans, regular meetings and sharing of information during the course of the year. This will ensure that resources are maximised and that there is no duplication of work.</p>
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Detailed Plan

Proposed Internal Audit Plan 2008-09		
Please note that the Plan is still being discussed and agreed with Service Areas, and is therefore not yet fully complete in all areas. Where possible, we have provided an indication of the proposed audits, together with an initial indication of the proposed coverage within these. Further details will be provided to Members as soon as these have been agreed with Service Areas.		
	Notes on Coverage (where currently applicable)	Planned Days
2007/08 Audits Carried Forward		
Financial Management Standard in Schools (FMSIS)	Carried Forward Days - to be allocated to FMSIS assessments in primary schools due to the schools not being ready for assessment in 2007/08	35
	Sub Total	35
2008/09		
Grant Claims		
Local Area Agreements/NRF	Certification of grant claims	20
	Sub Total	20
Finance and Corporate Resources		
Procurement	Exact coverage not yet confirmed, but likely to focus on the Council's overall procurement strategy and selected elements of this.	10
Risk Management	Focussing on the progression regarding the development and implementation of risk management across the Authority.	10
Internal Financial Controls	Focussing on the internal financial controls in place across areas such as debtors, creditors, journals and reconciliations. This work is required due to the Council not currently having centralised financial systems which would ordinarily be subject to separate audits.	15
Facilities Management /Property Maintenance	Full systems audit.	15
	Sub Total	50
Main Financial Systems		

Housing/CTax Benefits	Reduced coverage due to full audit undertaken in 2007/08. Focus will be on follow-up of 2007/08 recommendations and any system changes that may have occurred since the previous audit.	8
Council Tax	Reduced coverage due to full audit undertaken in 2007/08. Focus will be on follow-up of 2007/08 recommendations and any system changes that may have occurred since the previous audit.	8
NNDR	Full systems audit.	15
Treasury Management & Investments	Full systems audit.	12
Cash & Banking	Greater focus on the processes within Service Areas, as full audit of central Cashiers undertaken in 2007/08.	10
Pension Fund Investments	Full Systems Audit.	12
Payroll/HR	To be split into two separate audits during the year. First visit will be late quarter 1 or early quarter 2 in order to check on the progress with regards to fully implementing the new Payroll/HR system. A second visit will then be scheduled for quarter 4 in order to undertake further transaction testing.	20
Single Accounting System - Project Management	Focussing on the controls in place to manage the project of moving to a single accounting system across the Council.	10
	Sub Total	95
Other Corporate Audits		
Matrix Contract	Full systems audit.	15
Internal Financial Controls	Focussing on the internal financial controls in place across areas such as debtors, creditors, journals and reconciliations. This work is required due to the Council not currently having centralised financial systems which would ordinarily be subject to separate audits.	15
	Sub Total	30
Cross Cutting Audits		
Governance Statement	Production of the new Annual Governance Statement	5
Corporate Governance Review	Review of the Corporate Governance arrangements, feeding into the Annual Governance Statement	5

Equalities & Diversity	Focussing on the arrangements already in place across the Council with regards to equalities and diversity, and the further developments planned in order to achieve the maximum rating against the Equalities Standard.	10
Procurement Cards / Pre-Paid Cards - Pre Implementation Review	Provision of risk based advice and support, focussing on the controls being planned with regards to the introduction of Procurement Cards and Pre-Paid Cards, assessing their adequacy against the potential risks.	15
Recruitment & Selection	Full systems audit.	15
Disability Discrimination Act (DDA)	Focussing on the actions taken by the Council in order to ensure compliance with the DDA.	10
Best Value Performance Indicators (BVPIs) - New & Amended	Provision of advice to Service Areas, where needed, in order to assist them with undertaking their own systems audits around the collection of data for new and amended BVPIs.	10
Use of Consultants	Focussing on the controls in place around the identification of a need to engage consultants, the way in which these are then employed, and the way in which their delivery and performance are monitored.	10
	Sub Total	80
Contract Audits		
Construction Contracts / other	Specialist contract audit work around construction based projects, or standard contract monitoring audits. Specific projects/contracts have not been identified at this stage - further details to be provided once confirmed.	55
	Sub Total	55
Children & Families		
Financial Management Standard in Schools (FMSIS)	FMSIS assessments in primary schools. The final deadline for completion of all primary schools is 31 March 2009. Due to the delays with schools being ready for assessment in 2007/08, a greater number now need completing in 2008/09 so as to leave a manageable balance for 2009/10. These days are supplemented by the carry forward days from 2007/08. Approximately 40-45 schools are anticipated to be assessed in 2008/09.	135
Children's Centres	Exact coverage not yet confirmed. However, this will potentially cover some contract audit work around the capital scheme elements of the development of the Childrens Centres. Also, potential coverage around the internal financial controls put into operation within the newly formed Childrens Centres.	25

Youth Service	Exact coverage not yet confirmed, but likely to focus on the project management arrangements in place around the current expansion of the Youth Service and integration with other related services.	15
Education Capital Schemes (e.g. Academy, Building Schools for the Future)	Exact coverage not yet confirmed, but likely to be a mix of specialist contract audit and an audit of the project management arrangements relating to education capital schemes.	20
Common Assessment Framework / Contact Point	Exact coverage not yet confirmed, but likely to focus on the project management arrangements in place around the implementation of the Common Assessment Framework, and the development of Contact Point and its associated client database (some IT audit work may also be required in relation to this).	15
Play Service	Focussing on the contract monitoring arrangements following the outsourcing of the Play Service.	15
Internal Financial Controls	Focussing on the internal financial controls in place across areas such as debtors, creditors, journals and reconciliations. This work is required due to the Council not currently having centralised financial systems which would ordinarily be subject to separate audits.	15
	Sub Total	240
Environment & Cultural Services		
On-Street Parking	Focussing on the controls in place around the collection and banking of income from on-street parking meters.	10
Highway Maintenance - Term Contracts	Exact coverage not yet confirmed, but likely to involve specialist contract audit work around the re-letting of term contracts.	15
Trading Standards	Full systems audit, with focus on the new internal financial controls implemented.	10
Environmental Health	Full systems audit.	10
Cemeteries & Mortuary Service	Full systems audit.	10
Licensing	Focussing on following-up the recommendations raised in the previous audit, together with more detailed testing of the system.	10
Business Continuity Planning (BCP)	Focussing on the progression since the 2007/08 audit, with regards to the development and implementation of BCP across the Council.	10
Transportation - Support	Provision of risk based advice and support, focussing on the controls being planned with regards to the restructuring of the Transportation service, assessing their adequacy against the potential risks.	20
Internal Financial Controls	Focussing on the internal financial controls in place across areas such as debtors, creditors, journals and reconciliations. This work is required due to the Council not currently having centralised financial systems which would ordinarily be subject to separate audits.	15

	Sub Total	110
Housing & Community Care Services		
Housing		
HMO Licensing	The Plan for Housing is currently being discussed and so the specific audits and their coverage have not yet been confirmed. The only exception to this being the work on Internal Financial Controls, which is needed in each of the Service Areas. We have provided an initial indication of the potential areas to be included and will provide further details on this later.	
Settled Homes Initiative		
Choice Based Lettings		
Homelessness - New Strategy		
Home Improvement Grants		
Housing Adaptations		
Private Sector Leasing		
Low Cost Housing/Key Workers		
Internal Financial Controls	Focussing on the internal financial controls in place across areas such as debtors, creditors, journals and reconciliations. This work is required due to the Council not currently having centralised financial systems which would ordinarily be subject to separate audits.	15
	Sub Total	50
Community Care		
Mental Health - Community Networking	The Plan for Community Care is currently being discussed and so the specific audits and their coverage have not yet been confirmed. The only exception to this being the work on Internal Financial Controls, which is needed in each of the Service Areas. We have provided an initial indication of the potential areas to be included and will provide further details on this later.	
Home Care - Provision / Electronic Pricing		
Joint Financing / Commissioning / Contracting Arrangements with PCT		
Grants to Voluntary Organisations - Visits to Grant Recipients		
Blue Badges / Concessionary Travel		
Transport - Integration of Adults and SEN		
Commissioning		
Adult Protection		
Delayed Discharges		

Meals on Wheels/Luncheon Clubs/Frozen Foods		
Establishments Visits		
Direct Payments - Extension of Scheme		
Sheltered Accommodation		
Internal Financial Controls	Focussing on the internal financial controls in place across areas such as debtors, creditors, journals and reconciliations. This work is required due to the Council not currently having centralised financial systems which would ordinarily be subject to separate audits.	15
	Sub Total	80
IT Audits		
Council Tax Nortgate - Revs & Bens	The IT Audit Plan is currently being discussed and so the specific audits and their coverage have not yet been confirmed. We have provided an initial indication of the potential areas to be included and will provide further details on this later.	
Housing Benefits - Northgate R & B		
Post Implementation - Oracle Financials		
Payroll		
Frameworkki		
Abacus Migration		
Internet/Intranet/E-mail		
IT Governance		
Windows (Operating Systems)		
Anti Virus Controls		
New Developments - Data Centres		
Single Accounting System		
Information Governance & Security		
Contact Point database		
	Sub Total	100
Follow-Up Reviews		
Follow-up of previous audit recommendations	Follow-up of recommendations raised as part of the 2007/08 audits, where this is not already covered as part of a specific audit included in the 2008/09 plan.	
	Sub Total	50

Brent Housing Partnership (BHP) Audits		
Contract Audit	The BHP Internal Audit Plan is currently being discussed with BHP and so the specific audits and their coverage have not yet been confirmed. We have provided an initial indication of the potential areas to be included and will provide further details on this later, once agreed with the BHP Audit & Finance Sub-Committee.	
Tenants Initiative Schemes		
Leasehold Charges		
Dom Doc - Document Management System IT		
Gas Servicing		
Housing Voids		
Rent Arrears Management		
Corporate Governance		
Performance Management		
HR & Personnel Management		
Legal Services		
Creditors/Accounts Payable		
Major Works - Capital Programme		
Audit Management		
	Sub Total	100
Other		
Management Time - Deloitte		90
Contingency and Ad-Hoc Advice		15
	Sub Total	105
Cumulative Total		1200

Appendix A – Audit Team and Contact Details

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