

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



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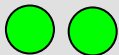



## Executive Summary

<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 of the main findings from each audit is provided 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. Draft reports which have been issued and are in the process of being agreed with management, or where audit fieldwork is currently in progress are also identified.</p> <p>As per the September 2009 report, as a new addition to the format of these reports, the full year's Plan is set out in Appendix B with an indication of progress at the individual audit level. This provides the details of actual progress against the originally agreed profile, as well as allowing 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 November 2009, a total of 733 days had been delivered against the overall Plan, made up of 562 Deloitte days and 171 in-house days. This represents 61% of the Plan and is a significant improvement to the position at the same time last year, at which point a total of 646 days had been completed, representing only 53% 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> <p>Currently, the number of contingency days has risen to 38. This is due to the number of audits being removed from the Plan exceeding those that have been added. Liaison with senior officers will continue to determine where further work may be required or be of value so as to utilise the balance. In the event that further work is not identified, it is likely that the number of Foundation schools audited in the current financial year will be increased, thereby reducing the number needing to be included in the 2010/11</p>




	Plan.
<b>Summary of Work Undertaken</b>	<p>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 also continued with Education Finance to help strengthen common control weaknesses identified as part of the assessments. A key area of focus has been budget monitoring.</p> <p>The target to assess all primary schools by the 31 March 2010 is likely to be achieved, although this continues to be reliant on each of the schools being ready for their scheduled assessments.</p> <p>In addition to the Schools, a wide range of systems audits and IT audits have been undertaken, as well as verification work in respect of the Local Area Agreement (LAA) Stretch Targets and the Supporting People Programme (SPP) Grant, as completed by the in-house team. Capital based 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 and the ongoing construction of the ARK Academy. In addition, a number of revenue based contract audits have been undertaken in relation to the arrangements for managing key contracts across the Council.</p>

### 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 7 for the definitions 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>	-	44% (7)	56% (9)	-

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 has only been one Council audit finalised for the year to date for which such an assessment has been applicable. However, it is also noted that the BHP audit on the responsive housing repairs function had an improved Direction of Travel. Please see page 8 for the definitions of the Direction of Travel.

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

Overall, for the work finalised for 2009/10 to date, there has been a reduction in the proportion of Substantial assurance and an increase in Limited assurance reports compared with the distribution in 2008/09. Whilst there are a significant number of audits due to be completed in the remaining third of the year, this is an area of concern. It should be noted that, with one exception, 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. There is not, therefore, a decline in assurance in previously audited areas.

	<p>The overall position will be monitored through the remainder of the year and a number of audits will be undertaken in quarter four for which a Direction of Travel assessment will be applicable. In addition, further follow-up work will be completed so as to assess the extent to which previously raised recommendations have been implemented.</p>																								
<b>FMSiS Assessments</b>	<p>As above, assessments of the primary schools have continued.</p> <p>The table below summarises the progress made and the outcomes of the assessments completed. Further details are set out on page 26.</p> <table><tr><th></th><th><b>Pass</b></th><th><b>Conditional Pass</b></th><th><b>Fail</b></th><th><b>In progress</b></th><th><b>Still to be assessed</b></th></tr><tr><td><b>2007/08</b></td><td>3</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td><b>2008/09</b></td><td>31</td><td>1</td><td>-</td><td>-</td><td>-</td></tr><tr><td><b>2009/10</b></td><td>12</td><td>2</td><td>1</td><td>10</td><td>3</td></tr></table> <p>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’, we are currently in the process of confirming whether the schools have satisfactorily addressed the further actions required.</p> <p>It should be noted that the number shown as having achieved a ‘Pass’ in 2008/09 has increased since the previous meeting in September 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. One school remains outstanding from 2008/09. The deadline for their response to the Conditional Pass was extended to allow Education Finance to work with the school to address the issues regarding their understanding of the new budget monitoring pro-forma. At the current time these are still yet to be fully addressed.</p>		<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>	31	1	-	-	-	<b>2009/10</b>	12	2	1	10	3
	<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>	31	1	-	-	-																				
<b>2009/10</b>	12	2	1	10	3																				
<b>Follow-Up of Previously Raised Recommendations</b>	<p>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 of the overall level of implementation is provided, together with a breakdown of the</p>																								

status of implementation for each audit followed-up.

This approach has been further developed during 2009/10. Under the revised approach, management are responsible for completing a self assessment of the status of implementation of each of the recommendations originally raised, following the passing of the agreed deadlines for implementation. If management indicate that the recommendations have been implemented then this is verified through an on-site visit. 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. This was also previously the case. However, going forwards, 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, if it is relevant to do so given the agreed implementation deadlines. 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 below summarises the degree to which recommendations have been implemented, based on the follow-up work that has been completed to date. Further details of the specific audits to which this relates are set out on page 30.

	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>	3 (27%)	3 (27%)	5 (45%)
<b>Priority 1</b>	1 (17%)	2 (33%)	3 (50%)

	<table><tr><td><b>Recommendations</b></td><td></td><td></td><td></td></tr></table> <p>The figures above relate to only two audits for which the follow-up work has been fully completed in the year to date. Therefore, it is not possible to draw any comparisons between this and the implementation rates shown for the follow-up work undertaken in 2008/09. A review of completed self assessments is being undertaken to establish what visits are required over the following months.</p>	<b>Recommendations</b>							
<b>Recommendations</b>									
<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 periodic 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 to Members at each Committee meeting, in addition to progress against the Plan, a key way in which the performance of Deloitte is monitored is through the issuing of Customer Satisfaction Surveys to auditees following the completion of each piece of work.</p> <p>11 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 4.1 out of 5. At this stage this is slightly lower than the average overall rating for 2008/09, although in both cases the performance is classified as ‘very good’. The position will be monitored through the course of the year.</p> <p>The detailed breakdown of this feedback is set out on page 31 this report.</p> <table><tr><th>Year</th><th>Average Overall Rating</th></tr><tr><td>2007/08</td><td>3.88</td></tr><tr><td>2008/09</td><td>4.40</td></tr><tr><td>2009/10 (to date)</td><td>4.10</td></tr></table>	Year	Average Overall Rating	2007/08	3.88	2008/09	4.40	2009/10 (to date)	4.10
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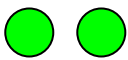



## Detailed summary of work undertaken

This section summarises the internal audits and FMSIS assessments commenced since 1 April 2008. A summary of the main findings and the Assurance Opinions are only provided for internal audits for which the final report has been issued. Please note that only priority 1 recommendations are listed.

The following tables provide the definitions of the assurance opinions and recommendation priorities. Please note that these only apply to internal audit work, not to FMSIS assessments. The outcomes of the FMSIS assessments are explained separately later in this section of the report.

### Assurance Opinions




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

**Direction of Travel**

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

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

**Recommendation Priorities**


Recommendations are categorised according to the 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 for any finalised reports is included. 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 4 December 2009	Assurance Opinion	
Stonebridge Estate – Hyde Contract Management	<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>The review of the monthly KPI spreadsheet should be formalised, so as to record the following: <ul style="list-style-type: none"> <li>Any instances where actual performance falls below required performance;</li> <li>Reasons provided for this;</li> <li>Any required corrective actions to address the situation;</li> <li>Responsibility for implementing the corrective actions; and</li> <li>Deadline for implementation.</li> </ul> </li> </ul> <p>Implementation of the required actions should be followed up on regular basis, and the KPI data and associated action plans should be discussed in the quarterly contractor meetings; and</p> <ul style="list-style-type: none"> <li>The KPI figures provided by Hillside should be checked against relevant supporting evidence.</li> </ul> <p>If management consider that it is not practical to check all KPI figures every month, then consideration should be given to doing so on a sample basis. However, if this option is chosen by management, the sample size and frequency of checking should be formally defined, with consideration given to the level of assurance required on the validity and accuracy of the data.</p>	Substantial	

Audit	Status as at 4 December 2009	Assurance Opinion	
	<p>Three priority 2 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>		
Traffic Management - Notifications	<p>Final Report.</p> <p>The work on Traffic Management was split into two key elements. The first covered the existing arrangements with regards to the system of 'notifications' under the New Road &amp; Street Works Act 1991. The second element was in relation to the implementation of the new London operational Permit Scheme (LoPS). Work on the LoPS is set out separately below.</p> <p>Two priority 1 recommendations were raised. These were as follows:</p> <ul style="list-style-type: none"> <li>A formal policy should be developed detailing when FPNs should be issued and where it is appropriate for these to be cancelled.</li> </ul> <p>In addition, a regular report of all FPNs that have not been issued should be produced, and checks should be completed to ensure that FPNs have only been cancelled in line with the policy.</p> <p>It is also recommended that a record should be maintained of any warnings that are issued to promoters. This should be reviewed on a regular basis so as to confirm that warnings are being issued where a decision is made to cancel an FPN, as well as to check that an excessive number of warnings is not being given to any one contractor rather than issuing an FPN.</p> <p>Management should also determine whether the system can be configured to take account of weekends and bank holidays to save officer time when assessing the appropriateness of FPNs.; and</p> <ul style="list-style-type: none"> <li>Further steps should be taken to resolve current server and firewall issues as the ability to issue notices to all promoters is key to both FPNs and the application of the new London operational Permit Scheme (LoPS).</li> </ul> <p>In the interim period, until the issues are resolved, it is recommended that</p>	Substantial	

Audit	Status as at 4 December 2009	Assurance Opinion	
	<p>an agreement is established with the promoter in question to issue FPNs in a different format.</p> <p>Six priority 2 and two 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>		
Traffic Management - London operational Pilot Scheme (LoPS)	<p>Final Report.</p> <p>As above, in addition to work on the controls in place around 'notifications', the controls being planned / implemented as part of the Council's preparations for becoming a permitting authority under Part 3 of the Traffic Management Act 2004 were also examined. In 2008 a number of London Highway Authorities, including Brent, joined together to prepare a scheme whereby authorities are individually able to adopt a common set of rules. The scheme is known as the London operational Permit Scheme (LoPS). At this stage an assurance opinion has not been provided as the controls were still being embedded.</p> <p>Two priority 1 recommendations were raised as a result of this element of the work. These were as follows:</p> <ul style="list-style-type: none"> <li>• Response times for assessing permit applications should be formally monitored, including monitoring of outstanding applications approaching the deadline.</li> </ul> <p>Management should determine whether reports can be generated from the Symology system to facilitate this, including reports of:</p> <ul style="list-style-type: none"> <li>○ All outstanding permit applications with their corresponding deadlines; and</li> <li>○ Statistics of response time performance; and</li> </ul> <ul style="list-style-type: none"> <li>• Guidance notes should be developed and criteria for the application of conditions should be clearly defined and communicated to all relevant</li> </ul>	N/A	N/A


Audit	Status as at 4 December 2009	Assurance Opinion	
	<p>officers.</p> <p>It is suggested that key elements for inclusion, include the following:</p> <ul style="list-style-type: none"> <li>○ Details of the minimum set of conditions for all works; and</li> <li>○ Standard conditions for specific circumstances. For example, major works on a category 1 road, or event days and other scenarios where works are likely to have a large impact on traffic management within the borough.</li> </ul> <p>Management should then consider undertaking spot checks to assess the level of compliance with such guidance.</p> <p>In addition, the history of sanctions and non-compliance should be reviewed on a regular basis, and decisions made on whether there is a need to apply additional conditions to certain promoters or to update either the minimum or standard set of conditions.</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>		
Blue Badges	<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 review the current stock management arrangements and formally document and circulate the agreed procedures. As a minimum, these should include the following: <ul style="list-style-type: none"> <li>○ Maintenance of up to date stock records, recording all new deliveries and all stock used, so as to provide a running balance of the stock held;</li> <li>○ Periodic stock checks between the physical stocks held and the stock records. Such checks should be undertaken by at least two senior</li> </ul> </li> </ul>	Substantial	

Audit	Status as at 4 December 2009	Assurance Opinion	
	<p>officers other than those with access to the stocks. Each of these officers should sign the records on completion to confirm the balances as correct with no missing stock. In the event that discrepancies are identified, these should be reported to management for following-up. If management cannot determine the reason for any variance and are concerned that stock may have been misappropriated, this should be referred to the Audit &amp; Investigations Team to agree the next steps; and</p> <ul style="list-style-type: none"> <li>○ Handling of void badges. The badges should be marked as 'void' and retained so as to help ensure that the void badge does not leave the custody of the CSDP Team and cannot be re-used.</li> </ul> <p>In addition, as part of the stock checking process, it is recommended that the CSDP Senior Manager should undertake spot checks to confirm that the assessment process has been fully and accurately applied for a sample of badges issued.</p> <p>A segregation of duties should be introduced into the administration of replacement badges, with at least one other officer being responsible for confirming that the required information has been provided prior to a replacement badge being issued.</p> <p>Two priority 2 recommendations were also 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>		
Windows Operating System (IT)	<p>Final Report.</p> <p>No priority 1 recommendations were raised as a result of this audit.</p> <p>However, five priority 2 and six 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>	Substantial	


Audit	Status as at 4 December 2009	Assurance Opinion	
Pensions Application Audit (IT)	<p>Final Report.</p> <p>No priority 1 recommendations were raised as a result of this audit.</p> <p>However, six priority 2 and two 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> <p>The Direction of Travel is unchanged since the time of the previous audit, for which a Substantial assurance was also given.</p>	Substantial	
Housing Repairs & Maintenance (BHP)	<p>Final Report.</p> <p>To be reported to the next meeting of the BHP Audit &amp; Finance Sub-Committee.</p> <p>There was a positive movement in the Direction of Travel as a Limited assurance was awarded in 2008/09.</p>	Substantial	
Cleaning and Grounds Maintenance Contract Management (BHP)	<p>Final Report.</p> <p>Reported to the BHP Audit &amp; Finance Sub-Committee in October 2009.</p>	Substantial	
Business Continuity Planning (BHP)	<p>Final Report.</p> <p>To be reported to the next meeting of the BHP Audit &amp; Finance Sub-Committee.</p>	Substantial	
Sundry Debt Recovery Team	<p>Final Report.</p> <p>Through discussion with management, a decision was made not to proceed with a full audit at this time, but rather to undertake an exercise to consider key risks and key controls relating to the new arrangements for debt recovery.</p> <p>A report was provided to management which set out the key risks relating to the new arrangements and the extent to which controls have either already been implemented or are being planned for implementation. The adequacy of these was assessed so as to determine any further controls for management to consider.</p>	N/A	N/A





Audit	Status as at 4 December 2009	Assurance Opinion	
	The report included an action plan, which management completed, of all remaining controls to be implemented, covering both those that were already being planned and those highlighted for additional consideration.		
Supporting People Programme Grant	<p>Final Report.</p> <p>Work was undertaken to certify this grant. Grant certified with qualifications. Six priority 1 recommendations were raised as a result. These were as follows:</p> <ul style="list-style-type: none"> <li>• In future, sufficient notice should be given to the Internal Audit Team, where the grant requires an audit certificate.</li> <li>• Adequate arrangements should be put in place to ensure the SPP Statement of Grant Usage is supported by adequate working papers prior to the commencement of the certification process. Training and guidance should be provided for all officers involved in the preparation of grant claims which require certification. Adequate arrangements should also be implemented to ensure that the working paper file for the grant claim is reviewed by a senior officer prior to being passed on for certification.</li> <li>• In future, as part of the preparation of the SPP Statement of Grant Usage the officer preparing the statement should be required to ensure that reconciliation is prepared indicating how the balances on the submitted grant statements tie up to the balances on the general ledger and year-end return.</li> <li>• It is recommended that the procedures making payments to block subsidy service providers be reviewed as soon as possible and controls be established to ensure that payments are made only on the basis of invoices submitted by service providers.</li> <li>• Officers responsible for the certification and authorisation of the monthly budget spreadsheets detailing the payments to be made to service providers and used as the basis of making payments should be reminded of the need to ensure that appropriate checks are undertaken to ensure the validity of the amounts due prior to authorising the budget</li> </ul>	N/A	N/A

Audit	Status as at 4 December 2009	Assurance Opinion	
	<p>spreadsheets for payment. Monthly budget spreadsheets should be signed and dated as evidence of appropriate checks having been undertaken by the authorising officer. The authorised limits of officers who authorise the payment of service providers listed on the budget spreadsheets be reviewed to determine whether their authorisation limits are in fact appropriate.</p> <ul style="list-style-type: none"> <li>Management should investigate the reasons for the differences between the contract values indicated in the signed contracts with service providers and amounts subsequently invoiced by service providers for the sample of contracts where we noted discrepancies during the course of the audit. Management should ensure that checks are always carried out to ensure that amounts invoiced by service providers are in agreement with values indicated on signed contract agreements.</li> </ul> <p>In addition 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>		
Risk Management (BHP)	<p>Final Report.</p> <p>Reported to the BHP Audit &amp; Finance Sub-Committee in October 2009.</p>	N/A	N/A
Watling Gardens TMO (BHP)	<p>Final Report.</p> <p>To be reported to the next meeting of the BHP Audit &amp; Finance Sub-Committee.</p>	N/A	N/A
Private Sector Procurement Team	<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>All outstanding declaration of interest forms should be completed and retained on file.</li> </ul>	Limited	


Audit	Status as at 4 December 2009	Assurance Opinion	
	<p>The dates at which such declarations are due for renewal should be monitored and checks made to ensure that these are met in all cases.</p> <p>In addition, staff should be reminded of the need to update their declaration during the year if appropriate;</p> <ul style="list-style-type: none"> <li>• A file checklist should be developed, detailing all documentation that is required to be completed / obtained before a property can be accepted onto the scheme.</li> </ul> <p>It is suggested that the checklist is also extended to cover all of the checks and documentation required to be completed as part of the process of allocating a property to a prospective tenant.</p> <p>In addition, management should undertake regular checks on the extent to which the documentation held is complete, as per the checklist, and the extent to which inspections are being undertaken within the 48 hour target. If a decision is made not to check 100% of cases, management should determine an appropriate sample size and frequency, taking account of the level of risk exposure in relation to those not checked; and</p> <ul style="list-style-type: none"> <li>• Management should review the current arrangements regarding the inspection of new properties, specifically with regards to fire safety checks.</li> </ul> <p>It is suggested that the Property Inspection Form is amended to include a section for recording checks on the ease of escape from the building in the event of a fire, together with checks on the furniture within the property to confirm its compliance with fire safety standards.</p> <p>In addition, management should formally review the decision not to undertake ongoing checks on properties in relation to health and safety standards.</p> <p>An option for consideration may be for the Council to request that landlords submit annual copies of relevant certificates where a tenancy agreement is entered beyond 12 months.</p> <p>Alternatively, if a choice is made not to amend the current arrangements then management should formally acknowledge the risk exposure being</p>		

Audit	Status as at 4 December 2009	Assurance Opinion	
	<p>accepted.</p> <p>Three priority 2 and two 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>		
Section 106	<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>An official invoice should be raised and issued to the developers, as and when the obligations are triggered, as opposed to when the payment is received from the developer.</li> </ul> <p>Overdue debtors should then be monitored regularly and any outstanding amounts should be followed up. Consideration should be given to liaising with the Council's new Sundry Debt Recovery Team with regards to such monitoring and follow-up action.</p> <p>In addition, a senior officer, other than the S106 Officer, should check, on a periodic basis, that an invoice has been raised against all triggered agreements;</p> <ul style="list-style-type: none"> <li>The current status in relation to the implementation of NFOs identified through site visits should be recorded against each development.</li> </ul> <p>In conjunction with recommendation no.1, as part of their check to ensure that all invoices have been raised where necessary, a senior officer other than the S106 Officer should also review the spreadsheet on a periodic basis to confirm that NFO details are being recorded in full and also that all NFOs have been checked and confirmed as received as per the original agreement; and</p> <ul style="list-style-type: none"> <li>Records should be maintained of all enforcement actions taken, including the reasons for not taking any actions.</li> </ul>	Limited	


Audit	Status as at 4 December 2009	Assurance Opinion	
	<p>In addition, these should be subject to periodic review by a senior officer other than the S106 Officer, to confirm that the actions taken were appropriate.</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>		
Registration and Nationality Service	<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 review the current arrangements regarding the management of stocks of certificates, focusing on measures to mitigate the risk of blank certificates being used inappropriately or without charge.</li> </ul> <p>A suggestion for consideration is as follows:</p> <ul style="list-style-type: none"> <li>○ All payments should be made directly to the General Office, as opposed to the current arrangement whereby payments are taken by the Registrars;</li> <li>○ The records of income, as per EPOS, should then be reconciled to the records of certificate issue, as maintained by the Registrars, on a regular basis. In addition, a physical check on the stock of blank certificates should be undertaken and agreed to the reconciliation. The overall reconciliation should be documented and reviewed and signed off by a senior officer in all cases;</li> <li>○ Any discrepancies identified between the income on EPOS, the number of certificates recorded as issued by the Registrars, and the actual physical stock of blank certificates should be promptly followed-up.</li> </ul> <p>In the event that management opt not to make any amendments to the current arrangements, then there should be an acknowledgement of the</p>	Limited	

Audit	Status as at 4 December 2009	Assurance Opinion	
	<p>risks being faced and the exposure being accepted by management;</p> <ul style="list-style-type: none"> <li>The cash banking summary pro-forms should be amended to include the following: <ul style="list-style-type: none"> <li>A line requiring the total income collected as per EPOS to be recorded;</li> <li>A line for recording any variance between the above total and the actual total monies to be banked; and</li> <li>A space for recording an explanation for any such variance.</li> </ul> </li> </ul> <p>To support the total figure taken from EPOS, the relevant reports should be run from EPOS and attached to the cash banking summary sheet in all cases.</p> <p>The above should be reviewed by a senior officer following completion, and the cash banking summary pro-forma should also be updated to record a space for this reviewing officer to sign and date the document; and</p> <ul style="list-style-type: none"> <li>Management should carry out a spot check on Daily Stock Sheets to confirm compliance with the need to record cash counts and to follow-up any discrepancies.</li> </ul> <p>This should also include a compliance check in relation to recording float count in the evening and signing off the Daily Stock Sheet.</p> <p>Four 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>		
Children's Centres Financial Management	<p>Final Report.</p> <p>Seven priority 1 recommendations were raised as a result of the audit. These were as follows:</p> <ul style="list-style-type: none"> <li>Management should review the financial discussion and reporting process within Children's Centres' Local Management Boards/Governing Bodies;</li> </ul>	Limited	

Audit	Status as at 4 December 2009	Assurance Opinion	
	<ul style="list-style-type: none"> <li>• Management should review the appropriateness of the Scheme of Delegation for the Children's Centres operating in a school setting. The Governing Body and Local Management Board should approve the appropriateness of this Scheme once it is finalised;</li> <li>• Management should review the cash handling procedures and income administration across Children's Centres. As part of the review management should determine the key procedures that the Centres are expected to follow. Following the review, the procedure notes should be provided to all Centres and these should be reviewed on a regular basis;</li> <li>• Management should clarify purchasing procedures with Centre Managers;</li> <li>• Guidance notes should be provided to all Children's Centres in respect of apportionment of shared resources;</li> <li>• Management should review the budget setting and monitoring process across all Children's Centres, with regard to the type of information required, the adequacy and appropriateness of budgeted levels and the regularity of review by the Council; and</li> <li>• Management should review the arrangements concerning the supplementary payments made to school staff members, determining whether the support given is in addition to their normal working hours at the school, or whether the time input to the Centres is at the detriment of the time required to be input to the schools.</li> </ul> <p>In addition, management should consider introducing a requirement for schools in receipt of such monies to have to report back to the Council on the details of any supplementary payments made, including the benefits realised from these by the Centres and confirmation that their have not been any associated costs incurred by the schools through lost time input by recipient members of staff.</p> <p>One priority 2 recommendation was raised where changes can be made in order to achieve greater control.</p>		

Audit	Status as at 4 December 2009	Assurance Opinion	
	<b>All recommendations were accepted for implementation by management.</b>		
Treasury Management	<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 ensure that the lending list is updated in all cases following any decision to withdraw an institution or to amend its approved credit limit, as determined by the Head of Exchequer &amp; Investment outside of any full review exercise; and</li> <li>• Management should review the current arrangements and consider whether it is appropriate to continue to allow the dealers to place a deal with only retrospective review and approval.</li> </ul> <p>In making such a decision there should be a consideration of the risks involved against the need to maintain operational efficiency and effectiveness. It should also be noted that the introduction of a requirement for the dealer to seek approval prior to placing a deal would still be reliant on the dealer remembering to seek such an approval, as opposed to them being unable to actually place the deal without it.</p> <p>If it is determined that it is not practical to have two senior managers review and approve the deal prior to it being placed, consideration could be given to whether this full retrospective review is maintained, but with the introduction on one approval prior to the deal being placed.</p> <p>All relevant staff should also be reminded of the importance of ensuring that the correct credit limit is recorded on each deal note, as per the approved lending list.</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>	Limited	



Audit	Status as at 4 December 2009	Assurance Opinion	
Treasury Management (BHP)	Final Report. Reported to the BHP Audit & Finance Sub-Committee in October 2009.	Limited	

### 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 responses are outstanding, or where the audit is currently in progress. As noted in the Executive Summary, Members will be provided with the assurance opinions and key findings once these have been finalised.

<b>Audit</b>	<b>Status as at 4 December 2009</b>
ARK Academy (2008/09 audit)	Awaiting Management Responses to the Draft Report – responses are overdue.
John Kelly Boys School	Awaiting Management Responses to the Draft Report – responses are overdue.
John Kelly Girls School	Awaiting Management Responses to the Draft Report – responses are overdue.
Quality Assurance Systems – Safeguarding Adults	Awaiting Management Responses to the Draft Report – responses are overdue.
Transportation	Awaiting Management Responses to the Draft Report – responses are overdue.
DomDoc EDM System (BHP) (IT)	Awaiting Management Responses to the Draft Report.
Accuserv Application (BHP) (IT)	Awaiting Management Responses to the Draft Report.
Corporate Health & Safety	Awaiting Management Responses to the Draft Report.
Government Procurement Cards	Awaiting Management Responses to the Draft Report.
Cash Receipting Application Audit (IT)	Awaiting Management Responses to the Draft Report.
Grants to Voluntary organisations	Awaiting Management Responses to the Draft Report.
Insurance	Draft Report to be issued
Houses in Multiple Occupation	Draft Report to be issued.
South Kilburn TMO (BHP)	Draft Report to be issued.
LAA Stretch Targets 2006-2009 Certification (14 Stretch Targets to certify)	Phase 2 of Certification Work currently in Progress
Non Stop Gov (IT)	In progress.

<b>Audit</b>	<b>Status as at 4 December 2009</b>
Contact Point (IT)	In progress.
e-Recruitment (IT)	In progress.
LAGAN Post Implementation (IT)	In progress.
Council Tax	In progress.
NNDR	In progress.
Appointeeships and Deputyships	In progress.
Adult Social Care Establishments	In progress.
Housing Rents BHP	In Progress.
Adult Social Care – Data Quality Audit	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 have been finalised from 2008/09 since the last Audit Committee meeting in September 2009. One assessment from 2008/09 is still to be finalised following the award of a Conditional Pass. The deadline for this was extended to allow Education Finance to work with the school to address the issues regarding their understanding of the new budget monitoring pro-forma. At the current time these are still yet to be fully addressed in this case.

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.





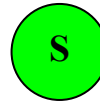
School	Assessment Outcome	Status as at 4 December 2009
<b>2008/09 Assessments</b>		
Mitchell Brook Primary School	Pass	Complete
Barham Primary School	Pass	Complete
Princess Frederica C.E Primary School	Pass	Complete
Park Lane Primary School	Pass	Complete
Salisbury Primary School	Pass	Complete
John Keble C.E Primary School	Conditional Pass	Extension to 11 December 2009 regarding budget monitoring.
<b>2009/10 Assessments</b>		
Carlton Vale Infant School	Pass	Complete
Wykeham Primary School	Pass	Complete
Islamia Primary School	Pass	Complete
Kensal Rise Primary School	Pass	Complete

School	Assessment Outcome	Status as at 4 December 2009
Wembley Primary School	Pass	Complete
St Joseph's R.C Infant School	Pass	Complete
St Joseph's R.C Junior School	Pass	Complete
St Mary's RC Primary School	Pass	Complete
Mora Primary School	Pass	Complete
The Stonebridge Primary School	Pass	Complete
Lyon Park Junior School	Pass	Complete
Newfield Primary School	Pass	Complete
Grove Park School	Conditional Pass	Currently awaiting further information from the School in response to the gaps identified as part of the Conditional Pass.
Brentfield Primary School	Conditional Pass	Currently awaiting further information from the School in response to the gaps identified as part of the Conditional Pass.
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.
Furness	In progress	N/A
Hay Lane	In progress	N/A
Malorees Junior School	In progress	N/A
Manor Primary School	In progress	N/A
St Robert Southwell Primary School	In progress	N/A
Roe Green Infants School	In progress	N/A
Roe Green Junior School	In progress	N/A

School	Assessment Outcome	Status as at 4 December 2009
Woodfield Primary School	In progress	N/A
Torah Temimah Primary School	In progress	N/A
St. Mary Magdalen Primary School	In progress	N/A
Chalkhill Primary School	Still to be assessed	N/A
Vernon House School	Still to be assessed. Assessment postponed at request of School.	N/A
Braintcroft Primary School	Still to be assessed. Assessment postponed at request of School	N/A

Audits previously reported to Committee as final

The table below sets out those audits from the 2009/10 Internal Audit Plan which have previously been reported to the Committee as final. They are included to provide Members with an overview of the work completed for the year to date, together with the assurance opinions awarded.

Audit	Status as at the December 2009 Audit Committee meeting	Assurance Opinion	
Home Care – Contract Management	Final Report. Previously reported to the Audit Committee in September 2009.	Limited	
Recruitment	Final Report. Previously reported to the Audit Committee in September 2009.	Limited	
Joint Commissioning	Final Report. Previously reported to the Audit Committee in September 2009.	Limited	
Complaints	Final Report. Previously reported to the Audit Committee in September 2009.	Limited	
Veolia Contract Management / Recycling	Final Report. Previously reported to the Audit Committee in September 2009.	Substantial	
Frameworki Financial Module Post Implementation (IT)	Final Report. Previously reported to the Audit Committee in September 2009.	Substantial	
Oracle I-Procurement Sanity Check	Final Report. Previously reported to the Audit Committee in September 2009.	N/A	N/A

## Follow-Up of Recommendations

The table below provides a summary of the findings from the follow-up work that has been completed for the year to date.

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

For any recommendations found to have only been partly implemented or not implemented at all, further actions have been raised with management. 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>
Grants to Voluntary Organisations	1	2	-	1	1	1	-	-	-	2	3	1	-	
	1	2	3	1	1	2	1	-	-	3	3	5	-	



## 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>
Private Sector Procurement Team	3	4	4	4	2	3	<b>3</b>
Section 106	3	3	5	4	5	3	<b>4</b>
Sundry Debt Recovery Team	4	4	5	4	4	4	<b>4</b>
Traffic Management	4	5	5	4	4	4	<b>4</b>
Cash Receipting Application (IT)	4	4	5	5	5	5	<b>5</b>
Cleaning and Grounds Maintenance (BHP)	5	5	5	5	4	5	<b>5</b>

<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>
Treasury Management (BHP)	4	5	5	4	4	4	<b>4</b>
Housing Repairs & Maintenance (BHP)	5	5	5	4	5	5	<b>5</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.

Please note that the shaded cells indicate those audits which were not yet scheduled to have started, as per the original profile.

**Table 1 – Overall Plan**

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
<b>CROSS COUNCIL AUDITS (70 Days) (increased to 73 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	Draft Report issued – awaiting management responses.
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 4 DECEMBER
		management to ensure that any officers declaring interests / gifts & hospitality are operating in an appropriate manner.			Plan.
Use of Consultants	10 ( <i>reduced to 0</i> )	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	Audit removed from the Plan due to the potential conflict of interest between Deloitte's Internal Audit and Consulting teams.  The in-house team's allocation of days does not allow this to be moved to them.  Consideration will be given to whether this should be included within the 2010/11 Plan.
Project Management – feeding into One Council Review (part Contract Audit)	10 ( <i>reduced to 2</i> )	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, to provide an overview of weaknesses identified from previous audit work across the Council, as well as issues identified in other public sector organisations and potential key elements to consider.  Development of a Project Management methodology is now being taken forward as part of the Council's

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
					Improvement & Efficiency Strategy and so no further input from Internal Audit is planned at this stage.
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 review of the Council's Corporate Governance Action Plan.	Simon Lane – Head of Audit & Investigations / Directors	Qtr 4	
Contract Management Summary Report	1 <i>(added to the Plan)</i>	Production of a summary report of the key / common issues arising from the four contract management audits being undertaken	N/A	Added for Qtr 3	In Progress.
Carbon Reduction Commitment	15 <i>(added to the Plan)</i>	To undertake an exercise to assist management with determining their readiness with regards to the forthcoming CRC Energy Efficiency Scheme.	Duncan McLeod – Director of Finance & Resources	Added for Qtr 4	
Cross Borough Work	15 <i>(added to the Plan)</i>	Days have been agreed with each of the boroughs in the West London Framework for undertaking cross borough work in Qtr 4. The scope of this has yet to be determined.	TBC	Added for Qtr 4	
<b>FINANCE &amp; CORPORATE RESOURCES (108 Days) (reduced to 88)</b>					

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
Council Tax	15	Annual systems audit focussing on key controls and any systems changes.	Paula Buckley – Head of Client Team – Revenue & Benefits	Qtr 3	In Progress.
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	Work to commence in December 2009
NNDR	15	Annual systems audit focussing on key controls and any systems changes.	Paula Buckley – Head of Client Team – Revenue & Benefits	Qtr 3	In Progress.
Treasury Management	10	Annual systems audit focussing on key controls and any systems changes.	Martin Spriggs – Head of Exchequer & Investment	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.	Mark Peart – Head of Financial Management	Qtr 4	
Sundry Debt	8	To focus on the systems of control being	Sarah Cardno –	Qtr 2	Final Report issued.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
Recovery Team		designed and implemented by the new Sundry Debt Recovery Team to take responsibility for debt recovery across the Council.	Exchequer Services Manager		
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 to be issued.
Procurement - feeding into One Council Review (part Contract Audit)	10 ( <i>reduced to 0</i> )	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	Audit removed from the Plan. It is now unlikely that any input from Internal Audit will be appropriate in the 2009/10 financial year as the various Improvement & Efficiency projects are currently still at the scoping stage. This will be considered for inclusion as part of the 2010/11 Plan.
Procurement - post One Council Review (part Contract Audit)	10 ( <i>reduced to 0</i> )	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	As above.
<b>CHILDREN &amp; FAMILIES (220 Days)</b> ( <i>increased to 253 days</i> )					



AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
FMSIS Assessments	111	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 (reduced to 0)	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	Removed from the Plan to accommodate the Foundation Schools that have been added.
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 (reduced to 0)	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	Audit removed from the Plan due to the service review that has already been undertaken by the Brent Excellence Support Team (BEST). This will be considered for inclusion as part of the 2010/11 Plan.
Child Protection	15 (reduced to 0)	To feed into the Improvement & Efficiency review being undertaken in this area.	Graham Genoni – Assistant	To be determined	Time was input into scoping and preparing for this audit.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
	to 2)	Specific scope and approach still to be discussed with the Assistant Director of Social Care.	Director of Social Care		<p>This included liaison with the Assistant Director of Social Care and the BEST, so as to co-ordinate this with their service review in this area.</p> <p>However, the Council has since had an unannounced visit from Ofsted and will now be subject to a full inspection. The audit is therefore being removed from the Plan. However, work will be considered for 2010/11 in order to assess the extent to which any recommendations raised by Ofsted have been implemented.</p>
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	Bharat Jashapara – Head of Finance – Children & Families	Qtr 4	

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
		raising of invoices; receipt of income; debt recovery and write-off; payments; BACs and cheque controls; journals; and reconciliations.			
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	To be undertaken in Qtr 4.
Early Years	10 ( <i>reduced to 0</i> )	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.
Children's Centre Establishment Visit ( <i>changed to look at financial management across a number of Centres</i> )	10 ( <i>increased to 15</i> )	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.  <i>Approach that was agreed on was to focus on key elements of financial management across a number of Children's Centres, as opposed to just visiting one Centre, i.e.</i>	Krutika Pau – Assistant Director of Strategy & Partnerships	Qtr 1	Final Report issued.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
		<i>thematic style work.</i>			
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 4.
John Kelly Boys and John Kelly Girls Schools (pre-Academy)	20 ( <i>added to the Plan</i> )	Education Finance requested these to be added to the Plan, prior to the two schools transferring to Academy status, so as to provide the Council with an overview of the control environment for the first half of the 2009/10 financial year.	Bharat Jashapara – Head of Finance – Children & Families	Added for Qtr 2	Draft Reports issued to Education Finance as opposed to the schools. Awaiting management responses – overdue.
Foundation Schools (Audit + FMSiS Re-Assessment)	60 ( <i>added to the Plan</i> )	Audits of five 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	Added for Qtr 4	
<b>ENVIRONMENT &amp; CULTURE (107 Days) (<i>reduced to 94 days</i>)</b>					
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	Sue Harper – Assistant Director, Leisure & Regeneration	Qtr 3/4	Deferred to Qtr 3 due to staff availability issues and other urgent projects.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
		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.			
Transportation	15 (reduced to 12)	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	Draft Report issued – awaiting management responses – overdue.
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	
Traffic Management Act – Part 3	10 (increased to 15)	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.	Irfan Malik – Assistant Director, Streets & Transportation	Qtr 2	Final Report issued.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
		<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>			
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	Final Report issued.
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 from 2 due to restructuring of service.
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 <i>(reduced to 0)</i>	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 removed from the Plan as scale of changes being made is understood be relatively small.
<b>HOUSING (55 Days)</b>					

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
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 3/4	
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 3	Draft Report to be issued
Supporting People Programme Grant	10 <i>(added to the Plan)</i>	Certification of Supporting People Programme Grant.	Liz Zacharias	Added for Qtr 1	Audit added to the Plan and replaced with HMO audit scheduled for Qtr 1 deferred to Qtr 2. Final Report issued.
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	Final Report issued.
Performance Indicators	10 <i>(reduced to 0)</i>	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	10	To focus on the controls in place around	Maggie	Qtr 3	Final Report issued.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
Estate – Hyde Contract Management		the management of the Stonebridge Estate contract with Hyde Group.	Rafalowicz – Assistant Director, Housing Strategy & Regeneration		
<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	
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	Linda Martin – Head of Service Development &	Qtr 3	Draft Report issued – awaiting management responses.



AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
		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.	Commissioning		
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	
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	In Progress.
Mental Health Integration with Central & North West London	10	To focus on the controls being planned and implemented as part of the integration of the Mental Health Service and Central &	Christabel Shawcross – Assistant Director,	Q4	

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
Mental Health Trust		North West London Mental Health Trust.	Community Care		
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	Final Report issued.
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	Draft report issued – awaiting management responses - overdue
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. <i>Focus of this work has been amended.</i>	Christabel Shawcross – Assistant Director, Community Care	Qtr 2	In Progress.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
		<i>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.</i>			
<b>POLICY &amp; REGENERATION (45 Days) (reduced to 25)</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 performance indicators, including the Local Area Agreement (LAA) Stretch Targets.	Cathy Tyson – Assistant Director, Policy	Qtr 2 & 3	14 Stretch Targets to be certified. Phase 2 of Certification Work in Progress
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 (reduced to 0)	Specific use of these days is still to be discussed with the Assistant Director of Regeneration	Andy Donald – Assistant Director of	To be determined	Initial discussions were held with the Assistant Director of Regeneration to discuss

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
			Regeneration		potential coverage. Days now removed from the Plan. Consideration will be given to inclusion within the 2010/11 Plan.
<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 duplication with the external assessment against the Standard.	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.
<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	Final Report issued.
<b>BUSINESS TRANSFORMATION (196 Days)</b>					
IT	146 (reduced	See separate plan – Table 2	-	-	See Table 2.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
	to 136)				
Payroll	15	Annual systems audit focussing on key controls and any systems changes.	Simon Britton – Head of The People Centre	Qtr 3	Head of Payroll has requested a deferral to 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 overall spending patterns.	Simon Britton – Head of The People Centre	Qtr 2	Draft report issued – awaiting management responses.
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	To liaise with Simon Britton
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	Aktar Choudhary – Assistant Director,	To be determined	Contract Audit Manager has met with Assistant Director, Business Transformation to discuss potential coverage.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
		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.	Business Transformation		Most appropriate timing still to be determined.
<b>OTHER</b>					
<b>Brent Housing Partnership (BHP)</b>	128 <i>(increased to 138)</i>	See separate plan – Table 3	-	-	See Table 3.
<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	N/A	Throughout the year	In progress.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
		review of completed internal audit work.			
<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.
<b>Contingency</b>	14 (currently increased to 38)	To be allocated to any new developments or new / emerging risk areas during the course of the year.  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.	N/A – dependent upon work required	N/A – dependent upon work required	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.  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.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	ORIGINAL PROPOSED TIMING	STATUS AS AT 4 DECEMBER
<b>TOTAL</b>	<b>1211</b>				

Table 2 – IT Plan

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	PROPOSED TIMING	STATUS AS AT 4 DECEMBER
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AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	PROPOSED TIMING	STATUS AS AT 4 DECEMBER
Oracle Application Audit	10 ( <i>reduced to 0</i> )	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	Audit removed from the Plan at the request of the Head of Financial Management due to focus on year-end closing of accounts and progressing Oracle roll-out.  However, this has been replaced with a further audit on the I-Procurement module.  An audit of the full Oracle application will be included within the 2010/11 Plan following full roll-out.
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 I-Procurement Module	10 ( <i>added to the Plan</i> )	Further work around the development and roll out of the I-Procurement module, as requested by the Head of Financial Management.	Mark Peart – Head of Financial Management	Added for Qtr 4	
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	Mark Peart – Head of Financial Management	Qtr 3	Fieldwork starts in December.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	PROPOSED TIMING	STATUS AS AT 4 DECEMBER
		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.			
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.
Frameworki 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	In Progress.
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	Sarah Cardno – Exchequer Services Manager	Qtr 3	Draft Report issued – awaiting management responses.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	PROPOSED TIMING	STATUS AS AT 4 DECEMBER
		benefits realised by the project.			
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	In Progress.
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	Final Report issued.
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.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	PROPOSED TIMING	STATUS AS AT 4 DECEMBER
IT Project Management	10 (reduced to 0)	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 and with the ITU Operations Manager.  Work to be combined with the internal audit work on Project Management, as included within the main Plan.	Andy Donald – Assistant Director of Regeneration / Tom Lloyd – ITU Operations Manager	To be determined	See comments against Project Management in Table 1.
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	Final Report issued.
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	In Progress.
IT Follow-Ups	16	Completion of follow-up work on all recommendations raised and agreed as part of the 2008/09 IT Audit Plan, where the	N/A – dependent upon each internal	Throughout the year	In Progress.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	PROPOSED TIMING	STATUS AS AT 4 DECEMBER
		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.	audit to be followed-up		
<b>TOTAL</b>	<b>146</b> <i>(reduced to 136)</i>				

**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 4 DECEMBER
Housing Repairs & Maintenance	12	Annual systems audit focussing on key controls and any systems changes.	Gerry Doherty – Director of Technical Services	Qtr 3	Final Report issued.
Housing Rents	12	Annual systems audit focussing on key controls and any systems changes.	David Bishopp – Rent Accounting & Performance Manager	Qtr 3	Work in Progress
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 4 DECEMBER
		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	Final Report issued.
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	Final Report issued.

AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	PROPOSED TIMING	STATUS AS AT 4 DECEMBER
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	Final Report issued.
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	Final Report issued.
Tenant Management Organisations	10 (increased to 25)	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	Final Report re Watling Gardens Issued.  Kilburn Square – Draft Report to be issued
Dom Doc – EDM System (IT Audit)	10	Dom Doc is the Electronic Document Management system used by frontline staff	Mike Dwyer – Director of	Qtr 1	Draft Report issued – awaiting management



AUDIT	DAYS	PROPOSED COVERAGE	KEY CONTACT	PROPOSED TIMING	STATUS AS AT 4 DECEMBER
		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.	Standards & Procurement		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> <i>(increased to 138</i>				