

London Borough of Islington

Internal Audit 2014/15 Interim Report

January 2015



Introduction

Purpose of this report

This report summarises the work that Internal Audit has undertaken from 1st April to 31st October 2014 and provides details on the high risk and priority issues which could impact on the effectiveness of the internal control environment across the Authority.

Overview of work completed 1st April to 31st October 2014

The original Audit Plan for 2014/15 approved by the Audit committee in April 2014 included a total of 60 audit reviews. We have continued to communicate closely with senior management to ensure that the audit reviews undertaken represent a focus on high risk areas, in the light of new and ongoing developments in the authority to ensure the most appropriate use of our resources. The current number of projects agreed to be delivered is 59 after taking into account projects which have been cancelled or deferred and requests for new (unplanned) projects by service management.

Update on progress on implementation of 2012/13 recommendations

The following areas were reported in the June 2014 Annual Report as either:

- assurance had not increased from limited to moderate on follow up; or
- high priority recommendations were still outstanding on follow up.

The current status is detailed below:

Directorate	2013/14 Follow Up	Status as at June 2014	Current Status
Children's Services	Hornsey Road Children's Centre	Limited Assurance. Five recommendations (2 high, 3 medium priority) had not been implemented. Revised target date for implementation summer 2014.	Follow Up visit by Early Years Commissioning Officer scheduled for 12 th January 2015. Outcome and update to subsequently be provided to Internal Audit.
Finance	Softbox	Assurance remains as limited . One recommendation (high priority) had been implemented; the remaining three recommendations (one high, two medium priority) had not been implemented. Revised target date August 2014.	Superseded. Controls assurance around Softbox has been incorporated into Internal Audit's Continuous Auditing approach and will be subject to full assessment through this process in January 2015.
Finance	I Pay System	Assurance remains as limited . Two outstanding recommendations (one high priority, one medium priority). Revised target date 30 Sep 2014.	Outstanding recommendations are now implemented.
Finance	Network Access Starters and Leavers	Assurance remains as limited . Two outstanding recommendations (both medium priority). Revised target date 30 Sep 2014.	Follow Up undertaken during December 2014. Outcome and update to subsequently be provided to Internal Audit.
Finance	Parking E-Permits	Limited Assurance . Two high priority recommendations were identified. Internal Audit will revisit the area in Q3 2014/15 to assess implementation of recommendations following the move to the new database.	The go-live date on new system was pushed back until November 2014. To allow new processes to embed and operate with enough frequency to ascertain operating effectiveness, the audit will be followed up in January 2015.
HASS	Care Homes Staff background Checks	Limited Assurance . Two recommendations (one high and one medium priority) have been partially implemented. Revised target date September 2014.	HASS are planning to undertake reviews at all contracted care homes over the next 4 months and will have completed the outstanding spot checks by the end of February 2015. The remaining outstanding recommendation has been implemented.
HASS	Spot and Block Contracts	Limited Assurance . Two recommendations (both medium priority) have been partially implemented and one recommendation (high priority) has not been implemented. Revised implementation date: Summer 2014	HASS are considering how to ensure that there is commissioning capacity to implement those recommendations. The new structure will be implemented in the Spring of 2015.

Directorate	2013/14 Follow Up	Status as at June 2014	Current Status
E&R	Planning/S106/Building Control	All limited. Extended follow up of 12/13 review is taking place in 2014/15 with a focus on the arrangements since the implementation of the new IT System. See ER14_5 below.	Fieldwork underway. Draft report due January 2015.

The 2014/15 audit plan includes a detailed follow up plan which will track and report on progress made in implementation of all 2013/14 audits completed. These follow ups will be undertaken in Q3 and Q4 2014-15.

Service Summaries

Reports Issued 1st April 2014– 31st October 2014

Cross-Cutting/Corporate Reviews

a) Reports finalised as at 31st October 2014

Report Title	Assurance Rating	Key issues arising
Customer Transformation	Substantial	No high priority findings noted. Opportunities for the enhancement of the current portfolio of programme governance and management controls were noted and the control framework design is on-going (with numerous key controls already identified and implemented). In many cases, remedial action is already under management consideration and/or has subsequently been developed. Accordingly, we feel that management appetite for the design and implementation of a robust programme control framework is evident.

b) Work in Progress as at 31st October 2014

Audit ref	Audit title	Status
CC14_5	Leaseholder service & Major Works charges	Fieldwork complete. Draft report due end of December 2014.
CC14_2	Performance Monitoring	Fieldwork due for completion Q4
CC14_7	Finsbury Park Community Hub	Fieldwork due for completion January 2015

c) Work scheduled 1st November to 31st March

Audit ref	Audit title
CC14_1	Programme Management
CC14_3	Corporate Data Protection

Chief Executive's Office

a) Work in Progress as at 31st October 2014

Audit ref	Audit title	Status
CE14_1	HR Service - Review of Starters & Leavers Processes	Fieldwork in progress. Draft Report early 2015.

b) Work scheduled 1st November to 31st March

Audit ref	Audit title
CE14_5	Third Sector Governance Forum
CE14_2_2	Third Sector Organisations – Refugee Therapy Centre

c) Work which has been cancelled or deferred to 2015/16:

Audit ref	Audit title	Status
CE14_3	Impact of budget cuts on crime, disorder and community tension	As scope refers to ASB and would require the involvement of HASS and E&R, this has been deferred to 2015/16 to enable re-scoping and engagement as a cross-cutting piece.
CE14_4	Performance Management Improvement - KPIs and Data Quality Management	Cancelled as covered by cross-cutting Performance Monitoring project (CC14_2)
CE14_2_1	Third Sector Organisations – Solace	Cancelled at management's request as monitoring covered in 2013/14 review of Supporting People.

Environment and Regeneration

a) Work in Progress as at 31st October 2014

Audit ref	Audit title	Status
ER14_1	Planning Notifications	Fieldwork in progress. Draft Report due December 2014
ER14_2	CCTV	Fieldwork planned for end Q3/early Q4
ER14_4	Open Spaces/Parks Management	Fieldwork planned for December 2014. Draft report due January 2015.
ER14_5	Planning/S106/Building Control	Fieldwork underway. Draft report due January 2015

b) Work scheduled 1st November to 31st March

Audit ref	Audit title
ER14_6	Waste Management
ER14_7	Libraries

c) Work which has been cancelled or deferred to 2015/16:

Audit ref	Audit title	Status
ER14_3	Transport Planning & Strategy including Street Scene Programme	Deferred to 2015/16

Housing and Adult Social Services

a) Work in Progress as at 31st October 2014

Audit ref	Audit title	Status
HASS14_2	Intermediate Care - Occupational Therapy Service	Fieldwork in progress. Draft report due Q4.
HASS14_7	Housing Allocations including transfers	Fieldwork due Q4.
HASS14_8_4	Taverner & Peckett TMO	Fieldwork complete. Draft report due December 2014
HASS18_8_1	Pleydell TMO	Fieldwork due November/December 2014. Draft report due December 2014
HASS14_11	Right to Buy	Fieldwork due November/December 2014. Draft report due early Q4.

b) Work scheduled 1st November to 31st March

Audit ref	Audit title
HASS14_3	Property Services - Legal Repairs Surveying Team
HASS14_5	Self-Directed Care Services, Individual Budgets and Direct Payments (Joint with Camden)
HASS14_8_3	TMO: Brunswick Close
HASS14_8_2	TMO: Harry Weston

c) Work which has been cancelled or deferred to 2015/16:

Audit ref	Audit title	Status
HASS14_6	Safeguarding Adults	Deferred to 2015/16 at request of AD due to significant pressures as a result of the implementation of the Care Act.
HASS14_4	ASC Client Reviews	
HASS14_9	Repairs	Deferred to 2015/16 at the request of management.
HASS14_1	Intermediate Care - Supported Discharge Rehabilitation Scheme	Cancelled due to OT project (HASS14_2)

Children's Services

a) Reports finalised as at 31st October 2014

Report Title	Assurance Rating	Key issues arising
Duncombe Primary School	Moderate	Six medium recommendations identified.

b) Work in Progress as at 31st October 2014

Audit ref	Audit title	Status
CS14_6	High Needs SEN	Fieldwork due Q3; draft report due early Q4
CS14_7	Personal Budgets	Fieldwork due Q3; draft report due early Q4

c) Work scheduled 1st November to 31st March

Audit ref	Audit title
CS14_5	Local Education Partnership (LEP)
CS14_8	Admissions/School Placements
CS14_3	Stronger Families PbR Claim
CS14_1	Children's Centres x 3
CS14_2	Schools x 11

d) Work which has been cancelled or deferred to 2015/16:

Audit ref	Audit title	Status
CS14_4	Assurance Mapping	Cancelled at management's request

Finance and Resources

a) Work in Progress as at 31st October 2014

Audit ref	Audit title	Status
FR14_2	Bailiffs	Fieldwork due for completion Q3; draft report early Q4
FR14_4	VAT	Fieldwork due for completion Q3; draft report early Q4

a) Work scheduled 1st November to 31st March

Audit ref	Audit title
FR14_1	Continuous Auditing/KFS Audits
FR14_3	Finance Function - New Model of Operation following Review
FR14_5	Grant Claim Preparation
DST	
FR14_7	Departmental IT Applications Key Control Testing
FR14_11	Sharepoint
FR14_12	IT Capacity Planning
ANTI-FRAUD	
AF14_5	Financial Abuse
AF14_7	NNDR

b) Work which has been cancelled or deferred to 2015/16:

Audit ref	Audit title	Status
FR14_9	Data Centre (joint with Camden)	Cancelled due to timing of project.
FR14_10	Master Data Management	Deferred to 2015/16 due to timing of other work in this area
FR14_6	PSN Audit	
FR14_8	IT Strategy & Governance	
AF14_4	TMO Reserve Funds	
AF14_6	Third sector grants	