

APPENDIX A

London Borough of Islington

Internal Audit Service

**Strategic Audit Plan 2007-2010 (including Operational
Plan 1 April 2007 to 31 March 2008)**

Introduction

As stated in the covering report, the areas for audit are based on an assessment of the business risks facing Islington from an examination of risk registers coupled with those audits that must be carried out on either an annual or regular basis to fulfil the requirements of the managed audit process. This is the process by which the external auditor relies on the work of Internal Audit, rather than performing it again. Without this work, more input from external audit would be required, with a consequent increase in fees.

This is further supplemented by the experiences gained from the findings of audits in previous years and the notification by departments of the introduction of any new systems or processes for the forthcoming year.

The allocation of time per project is based on a number of factors; but primarily the complexity of the area under review and the level of testing needed to give confidence that the assurance rating, given at the end of the audit, is accurate. The experience within the Internal Audit service and its partner PriceWaterhouseCoopers (PWC) greatly assists this process.

The departmental summary, based on Islington's proposed new structure, showing the allocation of days is overleaf.

Summary

Audit	Audit days			
	Y1 PwC	Y1 In-house	Y2	Y3
Corporate	490	185	620	707
Customer Focus	-	10	-	15
Children's Services	55	118	155	125
Environment & Regeneration	41	25	35	45
Adult Social Services	-	81	90	110
Fundamental & Finance Systems	100	145	220	215
Information Technology	100	-	100	100
Corporate Resources	-	10	-	10
Homes for Islington	85	145	250	260
Other	50	110	280	163
Sub Total	921	829	-	-
Total days in plan	1,750		1,750	1,750

Service Area/Departments	Projects	Strategic Audit Plan – Planned Days		
		Year 1	Year 2	Year 3
Corporate These audits will cover the themes listed and be tested in a number of departments across the Council	<ul style="list-style-type: none"> • Compliance with financial management and business processes • Procurement • Regeneration and partnerships • Client Management of Contracts • Review of Property Valuation Contract • Capital Programme Review (BSF)/(DHS) • Agency Use • Budget Monitoring and Control Review • Departmental Debt Review • Scheme of Delegation • Corporate Governance and Assurance Statement • CAAAT's driven testing - compliance and probity • Central Services Efficiency Review • PI Review BVPI/LAA 	80	80	80
		30	20	20
		30	25	40
		35		15
		20		10
		25	10	30
		30		30
		35		22
		20	15	20
		15		15
		25	25	25
		90	90	90
			40	10
	20	20		

Service Area/Departments	Projects	Strategic Audit Plan – Planned Days		
		Year 1	Year 2	Year 3
Corporate	• CRB Checks	15	15	15
	• Grant Claims		15	15
	• S. 106		10	10
	• Freedom of Information		15	
	• Money Laundering		15	
	• Compliance with Gifts and Hospitality			15
	• Forensics			
	- Strategic advice / Policy review	7	7	7
	- Fraud Risk Register	4	4	4
	- Training	5	5	5
- NFI / RIPA	44	44	44	
- Data Monitoring & investigation	165	165	165	
Total – Corporate Projects		675	620	707

Service Area/Departments	Projects	Strategic Audit Plan – Planned Days		
		Year 1	Year 2	Year 3
Customer Focus				
Service specific audit	<ul style="list-style-type: none"> Review of Libraries 	10		15
<i>Total – Customer Focus</i>		<i>10</i>		<i>15</i>
Childrens Services				
Service specific audits	<ul style="list-style-type: none"> Schools CEA Payments Arrangements Case File Management Online Banking in Schools Young Peoples Projects 	133 20	102 20 18 15	110

Service Area/Departments		Projects			Strategic Audit Plan – Planned Days		
		Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Childrens Services	<ul style="list-style-type: none"> • SureStart 	20		15			
<i>Total – Childrens Services</i>		173	155	125			
Environment & Regeneration							
Service specific audits	<ul style="list-style-type: none"> • Review of Parking Service • Waste Management Service and street cleansing • Planning Office • Partnership Returns • Green Spaces 	25 25	15	15			
<i>Total – Environment & Regeneration</i>		66	35	45			

Service Area/Departments		Strategic Audit Plan – Planned Days			
		Projects	Year 1	Year 2	Year 3
Adult Social Services Service Specific audits	• Personal Care Block Contracts		15		20
	• CRB Review		20	10	15
	• Direct Payments			15	15
	• Commissioning		16		30
	• Management of the ALMO		30	15	10
	• Supporting People			15	
	• Adoption and Residence Allowances			15	15
	• Asylum Seekers (Adults)			10	10
	• No Recourse to Public funds			10	10
	Total – Adult Social Services		81	90	110

Service Area/Departments	Projects	Strategic Audit Plan – Planned Days		
		Year 1	Year 2	Year 3
Fundamental & Finance Systems These audits contribute to the managed audit process and are carried out on an annual basis	• Property Portfolio Management			
	• Housing Benefits	25	25	10
	• Council Tax	20	20	15
	• NNDR	20	25	20
	• Management Accounting System, Debtors and Creditors	50	50	40
	• Payroll	15	25	15
	• Pensions	15	20	15
	• Pension Fund Interest	10		10
	• Treasury Management	20	20	15
	• Insurance	10		10
	• Fixed Assets Register	20	20	15
• Cashiers and Contact Islington	20	15	15	
• VAT	20		10	
Total – Fundamental & Finance Systems		245	220	215

Service Area/Departments	Projects	Strategic Audit Plan – Planned Days		
		Year 1	Year 2	Year 3
Information Technology These are technical audits that look at controls that look at specific computer environment	<ul style="list-style-type: none"> • ICT Governance 	30	15	30
	<ul style="list-style-type: none"> • ICT Change Management 	20	15	20
	<ul style="list-style-type: none"> • Application Security and Segregation of Duties <ul style="list-style-type: none"> ➢ Housing ➢ Treasury ➢ Payroll ➢ Housing Benefits 	25	25	15
	<ul style="list-style-type: none"> • Network Security and Disaster Recovery 	25	25	20
		25	20	15
<i>Total – Information Technology</i>		100	100	100

Service Area/Departments		Projects	Strategic Audit Plan – Planned Days		
			Year 1	Year 2	Year 3
Corporate Resources Service specific audits	• Registrars	10		10	
<i>Total – Corporate Resources</i>		10		10	
Homes for Islington	• Audit Plan to be agreed with HFI Audit Committee	230	250	260	
<i>Total – Homes for Islington</i>		230	250	260	

		Strategic Audit Plan – Planned Days		
Service Area/Departments	Projects	Year 1	Year 2	Year 3
		<ul style="list-style-type: none"> Contingency for ad-hoc work Risk Assessment and Planning Follow up Audits 	35 50 75	155 50 75
Other		35	155	38
		50	50	50
		75	75	75
<i>Total – Other</i>		160	280	163