

APPENDIX 1 – 2017-18 INTERNAL AUDIT PLAN UPDATE

2017-18 Internal Audit Annual Report Audit Committee – 15th October 2018

Introduction: This Appendix provides summary details of the 2017-18 audit plan that was agreed by Committee in March 2017. It shows the indicative scope as well as the delivery status of each individual project. It is included to provide Members with assurance that the audit plan – which is the key vehicle for providing the Committee with independent assurance – is being delivered.

* Denotes a principal risk

1.1 CORPORATE / CROSS CUTTING

Number	Audit title	Indicative scope	Days	Status – 31 st August 2018
CC17_1	Resident Impact Assessments	To review the processing, recording, administering and monitoring of resident impact assessments in line with the Equalities Act	15	Incorporated (at the request of management) into the review of Outcome Based Budgeting, which was deferred to 2018-19 to accommodate the pressures on the OBB programme. Audit resource was utilised on additional in-year reviews, which are listed at section 1.7 below.
CC17_2	Health & Safety *	Deferred from 2016-17. To undertake a deep dive into one health and safety area across the Council.	15	The deep dive focussed on legionella. The review is at draft report stage awaiting exit meeting.
CC17_3	IR35	Review of the impact of the new IR35 regulation. To include tax and service delivery risks to the Council.	15	Completed. Limited assurance. High priority recommendations are detailed at Appendix 2.

Number	Audit title	Indicative scope	Days	Status – 31 st August 2018
CC17_4	Income Generation *	Cross Council review of Income Generation strategies.	15	Completed. A management Letter was issued which reported that the Council has made good progress in identifying and pursuing income generation opportunities. Suggestions for further developing income generation were made (including the production of a Cross Council benchmarking report), management agreed that these will be pursued over the coming year.
CC17_5	Contract Management*	To assess organisational oversight of third party delivery.	15	Completed. Limited assurance rating. High priority recommendations are detailed at Appendix 2.
CC17_6	Outcome-Based Budgeting *	To assess the council's preparedness for outcome-based budgeting	10	This review was deferred to Q3 2018/19 to accommodate the pressures on the OBB programme. Audit resource was utilised to provide control design advice into the Programme Office.
CC17_7	General Data Protection Regulation *	Ongoing monitoring of council's preparation for the implementation of GDPR	10	Completed. A management letter was issued, which found that although some additional work was recommended, the Council were on a good trajectory for adhering to requirements stipulated under the GDPR.

Number	Audit title	Indicative scope	Days	Status – 31 st August 2018
CC17_8	Programme Management/Transformation *	Programme review of a specific transformation programme or to assess the overall governance of programme management.	15	Internal Audit provided control design advice on the set up of a PMO as well as ad hoc project management advice.
CC17_9	Performance and Management Information	To review the arrangements for managing data quality of performance and management information and the monitoring of results and use in decision making. To be considered in line with Council review of Performance/Delivery.	15	Internal Audit provided design advice on best practice performance management. An ongoing piece of work is underway to better align performance management with the Council's risk management framework.
CC17_10	Gift & Hospitality and Declarations of Interest	Review the control processes in place to maintain and monitor the receipt of gifts and hospitality and declarations of interest for officers and members	15	<p>Separate reports were issued for Employees and Members.</p> <p>Employees</p> <p>Limited assurance. High priority recommendations are detailed at Appendix 2. The report is currently at draft stage awaiting finalisation of management responses.</p> <p>Members</p> <p>A separate management letter was issued for Members' Gift & Hospitality and Declarations of Interest, which concluded that, based on evidence reviewed at the time of the audit, a satisfactory control framework was in place.</p>

1.2 RESOURCES

Ref	Audit title	Indicative scope	Days	Status – 31 st August 2018
R17_1	Recruitment	Risk based review of the Council's recruitment process for permanent staff.	15	Resources was directed at 2017-18 investigation reviews in this area.
R17_2	Purchase cards	Review of key controls in place surrounding Purchase cards and the arrangements for monitoring transactions.	15	The review is at draft report stage awaiting exit meeting.
R17_3	Continuous Auditing/Key Financial Systems	Key controls review focussed on five key financial systems; Council Tax and NNDR, Parking, Treasury Management, Cash Management, and Accounts Payable.	50	Completed. The overall assurance rating was Limited, with ratings for the specific areas reviewed as follows: Council Tax and NNDR - Substantial Parking - Moderate Treasury Management – Moderate Cash Management -Limited Accounts Payable - Limited High priority recommendations relating to Cash Management and Accounts Payable are detailed at Appendix 2.
R17_4	Shared Digital *	Reviews within Shared Digital. TBC following planning meeting with Chief Digital and Information Officer.	30	The 2017-18 shared digital audit resource was utilised as follows:

Ref	Audit title	Indicative scope	Days	Status – 31 st August 2018
				<ul style="list-style-type: none"> - A Review of Payment Card Industry compliance is in progress. - Key controls testing in relation to Continuous Audit Monitoring (see R17-3 above), included a review of IT controls. <p>A planned review of digital strategy and ethical hacking did not proceed due to the pause in the progression of shared digital.</p>
R17_5	Enterprise Resource Planning (Integrated Main Accounting system)	To provide risk and control advice on the development and implementation of major new HR and Finance cloud based system	20	This review did not proceed as the decision as ERP did not proceed. Audit resource was utilised on additional in-year reviews, which are listed at section 1.7 below

1.3 CHILDREN'S SERVICES

Ref	Audit title	Indicative scope	Days	Status – 31 st August 2018
CS17_1	Commissioning- Children Looked After and Children In Need	To review the Council's commissioning processes for Children Looked After and Children in Need to ensure that best value is obtained and care quality is monitored in line with Children's Services Joint Commissioning Policy. To also include a review of the effectiveness of assessment/placement processes, budget monitoring and/or contract management.	15	Deferred to 2018-19 at management request so that the scope of the audit could be widened to include the transition from child to adult with Housing and Adult Social Service. Audit resource was utilised on additional in-year reviews, which are listed at section 1.7 below
CS17_2	SEN Transport	Cross cutting review with E&R, to review the impact of increasing costs and demographic issues on service delivery as well as arrangements for ensuring ongoing viability.	15	Completed. A management letter was issued with seven high priority recommendations made, which are detailed at Appendix 2.
CS17_3	Disabled Children's team	Cross cutting review with Adult Social Care, to review the Transitions Team (a multi-agency team that works with disabled young people with severe and complex needs and their families to support the move-on to adult life).	15	This review was not progressed and, at the request of management, audit resource was redirected to a review of Children's Services Records.
CS17_4	Foster Care Payments	Extended follow up of 2016/17 audit; to include adoption and guardianship payments	10	Completed. Limited assurance rating. High priority recommendations are detailed at Appendix 2.
CS17_5	Schools Audits x 4	Internal audits of schools on a cyclical basis.	20	Four reviews completed. 1) Islington Arts and Media School – No assurance 2) Hargrave Park – Limited assurance

Ref	Audit title	Indicative scope	Days	Status – 31 st August 2018
				<p>3) Drayton Park –Moderate assurance</p> <p>4) St Jude and St Paul’s – Limited assurance</p> <p>High priority findings for Islington Arts and Media School and St Paul’s and St Jude’s were previously reported to the Audit Committee in January 2018.</p> <p>High priority findings for Hargrave Park are detailed at Appendix 2.</p>
CS17_6	Stronger Families	Sign off of grant claim returns	20	Grant claim returns were required to be audited during 2017/18. All claims were completed and were found to be fairly stated, based on the evidence presented.
CS17_7	Safeguarding Children*	To review the Council's arrangements for safeguarding children including governance, risk management and the arrangements for ensuring statutory requirements are met.	15	The review in progress and is being delivered as a focussed risk management piece.

1.4 ENVIRONMENT AND REGENERATION

Ref	Audit title	Indicative scope	Days	Status – 31 st August 2018
ER17_1	Cottage Road Depot	To review procurement and contract management processes to ensure practices are	15	Completed. Limited assurance rating. High priority recommendations were

		in line with Council policies. To include an assessment of the oversight of practices.		previously reported to the Audit Committee in January 2018.
ER17_2	Blue Badges	To undertake a pro-active fraud review surrounding the administration and enforcement of blue badges	15	The review has been deferred to 2018-19. Audit resource was utilised on investigation reviews in this area.
ER17_3	Pest Control	To review arrangements for pest control including income generated through iCO, the Council's trading company.	15	Fieldwork in progress and we expect to conclude in October 2018.

1.5 HOUSING AND ADULT SOCIAL SERVICES

Ref	Audit title	Audit Indicative Scope	Days	Status – 31 st August 2018
HASS17_1	Housing Revenue Account	To review the arrangements in place for monitoring the Council's HRA financial viability. To include a review of the HRA Business Plan; savings plans, budget setting process and/or a review of recharges and/or options for cost-effective sales.	15	Deferred to 2018/19 audit work programme due to lack of availability of key staff during the year end closedown process. Audit resource was utilised on additional in-year reviews, which are listed at section 1.7
HASS17_2	General Service Charges	To review the methodology for calculation and assess whether reasonable, fair and complete. To assess the adequacy of supporting documentation for charges. To determine whether income is maximised.	15	A draft report has been issued and exit meeting has taken place. We are awaiting finalisation of management responses.
HASS17_3	Safeguarding Adults – Voluntary and Community Sector (VCS) organisations*	To review the Council's arrangements for safeguarding adults including governance, risk management and the arrangements for ensuring statutory requirements are met at Voluntary and Community Sector organisations.	15	The review in progress and is being delivered as a wider risk management piece. VCS – Internal Audit is providing support to the monitoring team ahead of monitoring visits.
HASS17_6	Third Sector Organisations x 1	Review of activities undertaken by Third Sector Organisations in the borough	5	Review of the governance arrangements for One True Voice, a Council Third Sector Organisation, was completed. A Management Letter was issued providing risk and control design advice.
HASS17_7	TMOs and Tenancy Management x4	Review of activities undertaken by Tenant Management Organisations in the Borough	20	4 reviews undertaken as follows:

Ref	Audit title	Audit Indicative Scope	Days	Status – 31 st August 2018
				<p>1) Hornsey Lane TMO, which received a 'No Assurance' rating. High priority recommendations are detailed at Appendix 2,</p> <p>2) A draft report has been issued and an exit meeting held for Stafford Cripps TMO. We are awaiting finalisation of management responses,</p> <p>3 and 4) Draft reports have been issued for Charteris and Half Moon Crescent TMOs and we are awaiting exit meetings.</p>

1.7 Additional Work** commissioned in year and 2016/17 audits carried forward to 2017/18

Ref	Audit title	Summary	Status – 31 st August 2018
AD17_01	Children In Need (CIN) Imprest Variance	Review of the management of a Petty Cash Imprest Account maintained by the CIN Service.	Completed. Risk and control advice memorandum issued.
AD17_03	Sunnyside Community Garden	Review of financial management, governance and safeguarding arrangements at Sunnyside Community Gardens	Completed. Risk and control advice memorandum issued

AD17_04	Westbourne Children's Centre	Review of cash, banking and fee record keeping at the Centre and a review of the design and operation of the key controls in place for financial management and governance.	Completed. A management letter was issued which addressed risks relating to the collection and receipting of cash, reconciliation and banking of income, the accuracy and integrity of financial records, and the robustness and effectiveness of the general control framework. It was recommended that outcomes/learnings was shared with other Children's' Centres. A follow up review is scheduled for 2018-19.
AD17_05	Parking Services E Voucher System	Review of the potential risk and controls surrounding the implementation of a new residents parking e-voucher system, RINGO.	Completed. Risk and control advice memorandum issued
AD17_06	Voluntary and Community Sector Governance Checklist	Review of governance self-assessment checklists prior to issuance to Voluntary and Community Sector organisations.	Completed. Risk and control advice memorandum issued
AD17_07	Tenant Management Organisation Governance Self-Assessment	Review of governance self-assessment checklists prior to issuance to Tenant Management Organisations.	Completed. Risk and control advice memorandum issued
R17_01	Payroll	Review of guidance and procedures, starters, leavers, amendments to pay, reconciliations with the General Ledger, and management information.	Fieldwork in progress. Estimated completion date end September 2018.
CS17_8	Children's Services Record Management	To review whether there is a risk that historical records have not been maintained and to ensure that current file maintenance is robust.	Fieldwork in progress. Estimated completion date end September 2018.

FR16_2	Office 365	Review of programme's governance, risk management and dependency management for the implementation of Office 365 (cloud based Microsoft Office suite of applications, such as Word, Excel, Skype)	Completed. Moderate Assurance rating.
FR16_3	Role of Senior Information Risk Officer (SIRO)	Assessment of the role of the SIRO with respect to the implementation of General Data Protection Regulation (GDPR) and the amalgamation of the Council's IT services into a single, Shared Digital service.	Completed. Management Letter issued which made a number of recommendations concerning the position and the role of the SIRO and information risk policies and procedures within Shared Digital. High priority recommendations are detailed at Appendix 2.
HASS16_1	Adult Social Care – Contingency Planning for Provider Failure	Review of the Council's plans in place to ensure that it can respond to the potential failure of a residential care provider.	Completed. No Assurance rating. High priority recommendations are detailed at Appendix 2.
CC16_2	Cyber Security	Assessing vulnerabilities of IT systems across the Council which hold personal and sensitive data	Completed. Management Letter issued, which made a number of recommendations concerning Cyber Security strategy and budget, safeguarding of data, governance arrangements and training. High priority recommendations are detailed at Appendix 2.

** The additional work below arose from the re-assessment of priorities and reallocation of audit resources; we are assured that the audit resource continued to be focussed on the highest risk areas.

APPENDIX ENDS