

BUSINESS ASSURANCE

Internal Audit Progress Report to Audit Committee: 2019/20 Quarter 3 (including the Quarter 4 Internal Audit Plan)

2nd January 2020



HILLINGDON
LONDON

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Contents

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1. Introduction

1.1 The Role of Internal Audit

1.1.1 Internal Audit (IA) provides an independent assurance and consultancy service that underpins good governance, essential in helping the Council achieve its corporate objectives and realise its vision for the borough of Hillingdon. It is also a requirement of the Accounts and Audit (England) Regulations 2015 that the Authority undertakes an effective IA to evaluate the effectiveness of its risk management, internal control and corporate governance processes, taking into account the UK Public Sector IA Standards or guidance.

1.1.2 The UK Public Sector IA Standards (PSIAS) define the nature of IA and set out basic principles for carrying out IA within the public sector. The PSIAS help the Council to establish a framework for providing IA services, which adds value to the organisation, leading to improved organisational processes and operations.

1.2 The Purpose of the Internal Audit Progress Report to Audit Committee

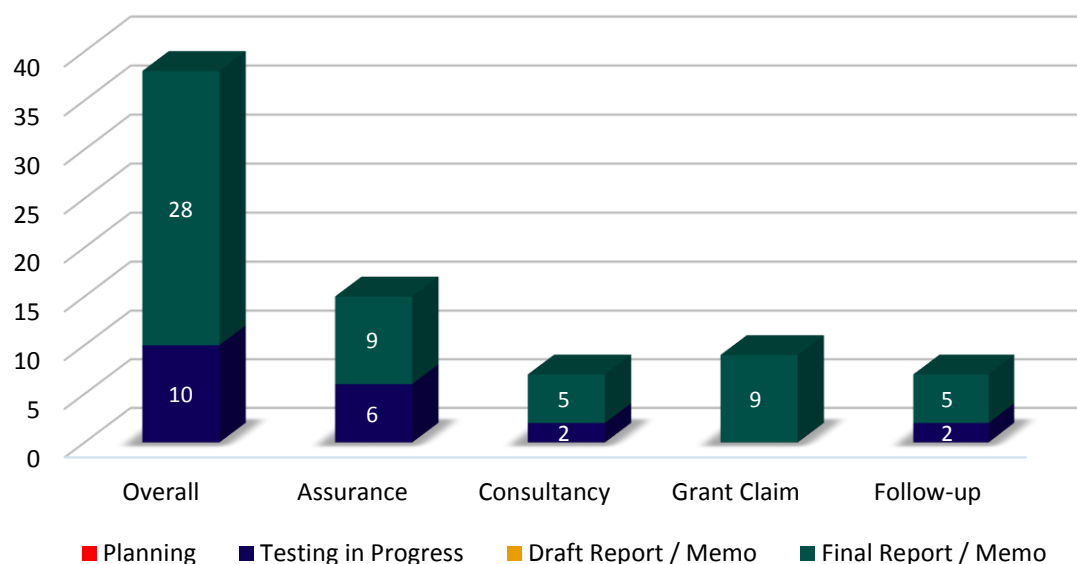
1.2.1 This Quarter 3 progress report presents the Council's Corporate Management Team (CMT) and Audit Committee with summary information on IA work for the period 1st October to 31st December 2019. In addition, it provides an opportunity for the Council's Head of Internal Audit & Risk Assurance (HIA), to highlight any significant issues which have arisen from IA work in Quarter 3. It also highlights to CMT, the Audit Committee and other IA stakeholders the revisions to the Quarter 3 IA plan since its approval (refer to **Appendix B**).

1.2.2 A key feature of the Quarter 3 IA progress report is the inclusion of the Quarter 4 IA plan (refer to **Appendix C**). This has been produced in consultation with senior managers over the last few weeks and sets out the planned programme of IA coverage due to commence in the Quarter 4 period (1st January to 31st March 2020).

2. Executive Summary

2.1 Since the last IA Progress Report to CMT and the Audit Committee dated 30th September 2019, **5 assurance reviews** (including **2 follow-ups**) have concluded, **2 grant claims** have been certified and **3 consultancy reviews** have been finalised. Progress has been steady this quarter, with three new staff members settling into the IA team, everyone is working diligently to complete the IA Plan to the required high standards. The team are therefore on track to complete this year's programme of IA work for 2019/20, as depicted below:

Chart 1 - 2019/20 IA Work Undertaken To Date



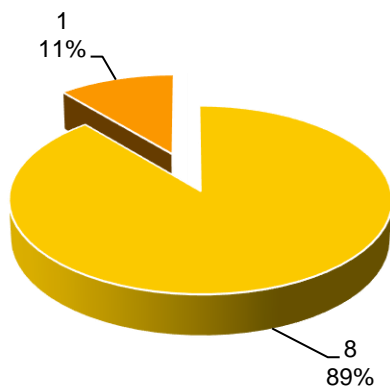
- 2.2 Our work on the 2019/20 Quarter 3 IA plan commenced on 1st October 2019 and work is now underway on all Quarter 3 planned work (refer to **Appendix A**). Within the context of inducting three new members of IA staff, positive progress has been made this quarter. Key assurance reviews finalised in this period include **Cyber Incident Management** which received **LIMITED** assurance, **Food Health & Safety – Site Inspections** and **Absence Management** both of which received **REASONABLE** assurance opinions respectively over the management of key risks.
- 2.3 These results are in line with our expectations and the risk-based approach which we deploy. When deciding to undertake risk-based internal auditing (RBIA), it is important to understand the level of risk maturity within the organisation, and tailor the IA strategy to mirror and support the stages of the organisation. Specifically, IA resource has been targeted in the areas of the highest risk as part of an efficient IA assurance programme. **Positive action has been proposed by management** to address all of the **HIGH** and **MEDIUM** risk recommendations raised within each respective review and these recommendations will be followed-up by IA in due course.
- 2.4 Within this quarter, IA has also undertaken a significant amount of follow-up work. As well as the individual reviews conducted of prior audits obtaining a **LIMITED** or **NO** assurance opinion, we have performed an extensive review of previously raised IA recommendations. This involves independently verifying recommendations that have been marked as ‘Implemented’ by management/risk owners on TeamCentral.
- 2.5 In terms of the Quarter 3 IA operational plan, there have been 2 amendments, 2 deferrals and 1 addition to the plan (refer to **Appendix B**). Further details of all IA work carried out in this period are summarised at section 3 of this report below.

3. Analysis of Internal Audit Activity

3.1 Assurance Work in Quarter 3

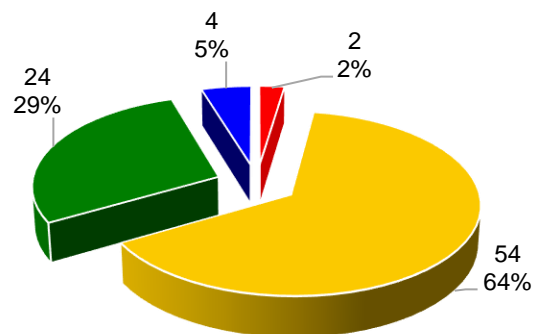
- 3.1.1 During this quarter, **5** 2019/20 IA assurance reviews (including **2** follow-up reviews) have been completed to final report stage, with a further **6** at advanced testing stage.
- 3.1.2 All IA assurance reviews carried out in the financial year to date are individually listed at **Appendix A**, detailing the assurance levels achieved as well as providing an analysis of recommendations made (in accordance with the assurance level definitions and recommendation risk categories outlined at **Appendix E**). Assurance opinions provided and the associated IA recommendations raised are further summarised in the charts below:

Chart 2 - IA Assurance Opinions



■ Full ■ Reasonable ■ Limited ■ No

Chart 3 - IA Recommendation Ratings



■ High ■ Medium ■ Low ■ Notable Practice

3.1.3 This quarter the **Cyber Incident Management** review was awarded a **LIMITED** assurance opinion where **1 HIGH** and **5 MEDIUM** risk recommendations were raised (refer to **Appendix A**). Although we found the Council's defence against cyber-attacks to be sufficient, the risks identified include developing, implementing and testing a Cyber incident response procedure, improving the risk management process, staff training and proactive monitoring of breaches. **Positive action has been proposed** by management to address all of the **HIGH** and **MEDIUM** risk recommendations raised.

3.2 Consultancy Work in Quarter 3

3.2.1 The IA team continues to undertake some consultancy work across the Council. The consultancy coverage includes IA staff attending working groups or project groups, whilst ensuring they are clear about whether they are attending in an assurance or advisory capacity. This type of approach to IA work continues to help increase IA's knowledge of corporate developments that feed into the risk based deployment of IA resource on assurance work.

3.2.2 Participation in working and project groups within the Council continues to help individual IA staff develop, whilst at the same time increasing the value IA provides to the Council. Due to the nature of consultancy work, we do not provide an assurance opinion or formal recommendations for management action. However, as part of our advisory reports and memos we do provide specific observations and improvement suggestions for senior management to consider.

3.2.3 Attached at **Appendix A** is the list of consultancy work carried out this quarter with **2** consultancy reviews (**Hillingdon Shared Lives** and **Safeguarding Adults Review**) finalised. The latter review was added to the Quarter 3 IA Plan following a request by management (refer to **Appendix B**). During this quarter we have also completed our work on the **Private Sector Housing Working Group**. This means that a full assurance review of this area will be conducted in Quarter 4 (refer to **Appendix C**) as planned. To ensure continued IA independence, the Principal Internal Auditor, who participated in the Working Group, will not be involved in performing or reviewing the IA assurance review of this area.

3.3 Grant Claim Verification Work in Quarter 3

3.3.1 During this quarter, IA has also assisted the Council in certifying **2** grant claims. As detailed at **Appendix A**, IA continues to carry out verification work on the **Troubled Families (TFs) Grant** as well as completing work on the **Disabled Facilities Grant (DFG)**.

3.3.2 As detailed at **Appendix A** the planned quarterly verification work on the **TFs Grant** progressed this quarter. IA tested a sample of TFs that have been identified as being 'turned around' by the Council's TFs Team. At the conclusion of our work we issued IA memos in October, November and December 2019; the total number of families claimed by the Council in Quarter 3 was **413**.

3.3.3 The **DFG** provides a framework for local authorities to provide mandatory grants for housing adaptations for disabled people to enable them to live independently in their own homes. Our DFG certification work confirmed the expenditure incurred was in compliance with the grant conditions. As a result of our testing, we are pleased to state that the grant claim to Department for Communities and Local Government (DCLG) was signed off by the Chief Executive, prior to the 31st October deadline, with an unqualified opinion.

3.4 Follow-up of Previous Internal Audit Recommendations in Quarter 3

3.4.1 IA continues to monitor all **HIGH** and **MEDIUM** risk IA recommendations raised, through to the point where the recommendation has either been implemented, or a satisfactory alternative risk response has been proposed by management. In addition to this, we actively follow-up on prior **LIMITED** or **NO** assurance reviews within 6 to 12 months after their finalisation.

3.4.2 Our dedicated follow-up verification review found that **75%** (75) of the **100** IA recommendations that have been followed-up were deemed **Implemented**. Of the remaining **25** recommendations, IA confirmed that:

- **5** were **Partly Implemented**;
- **18** were **No Longer Applicable** because the risk no longer existed i.e. due to changes in working practices or in structures since the IA review was undertaken; and
- **2 recommendations** were **Not Implemented**, this is despite management/risk owners having marked these recommendations as **Implemented**.

3.4.3 Whilst the 2% of recommendations determined as **Not Implemented** is a lower percentage than reported in previous quarters, it is still some concern to the HIA that any recommendations are being recorded in our dedicated follow-up system (TeamCentral) as **Implemented**, when in fact sufficient positive action has not been taken by risk owners. As a result, the HIA has formally reported these two cases to the relevant Corporate Director and Head of Service respectively for their information and robust management action (**refer to Appendix A**). Also, additional IA training on TeamCentral has also been offered to the relevant risk owners to help prevent a reoccurrence in future. Further, each of the 7 recommendations determined as **Partly Implemented** or **Not Implemented** have been reopened on TeamCentral, with new implementation dates applied for active monitoring and tracking. These recommendations will then be followed-up by IA in due course as these revised dates fall due.

3.4.4 This quarter the IA team has carried out work to independently verify recommendations that have been marked by risk owners on TeamCentral as **Implemented**. The **Follow-Up of Previous IA Recommendations** exercise involves reviewing new evidence, which supports the original recommendation and manages the risk. In Quarter 3 IA reviewed **54** recommendations, which compares favourably to the **18** recommendations previously verified in Quarter 2. Putting additional IA resource into this area helps the Council manage its risks more effectively and ensures that the TeamCentral record is accurate and up to date.

3.4.5 Our follow-up work on **Positive Behaviour Support (PBS) Team** has concluded. In January 2019 IA awarded PBS **LIMITED** assurance and raised **7 MEDIUM** risk recommendations. As a result of our recent follow-up testing we can confirm that **3** of the **7 HIGH** and **MEDIUM** risk recommendations raised have been **Implemented**, **3** recommendations were **Partly Implemented** and **1** recommendation was **Not Implemented**. In line with standard IA practice, the 4 recommendations deemed **Partly Implemented** or **Not Implemented** have been reopened on our dedicated follow-up system, TeamCentral, with new implementation dates agreed with management/risk owners and will then be followed-up in due course as these revised dates fall due.

3.4.6 Our follow-up work on **Merchiston House** has also concluded. In May 2019 IA awarded Merchiston House **LIMITED** assurance and raised **2 HIGH** and **4 MEDIUM** risk recommendations. As a result of our recent follow-up testing we can confirm that all **6** of the **HIGH** and **MEDIUM** risk recommendations raised have been **Implemented** and have been marked as 'Closed – Verified' on TeamCentral.

3.5 Other Internal Audit Work in Quarter 3

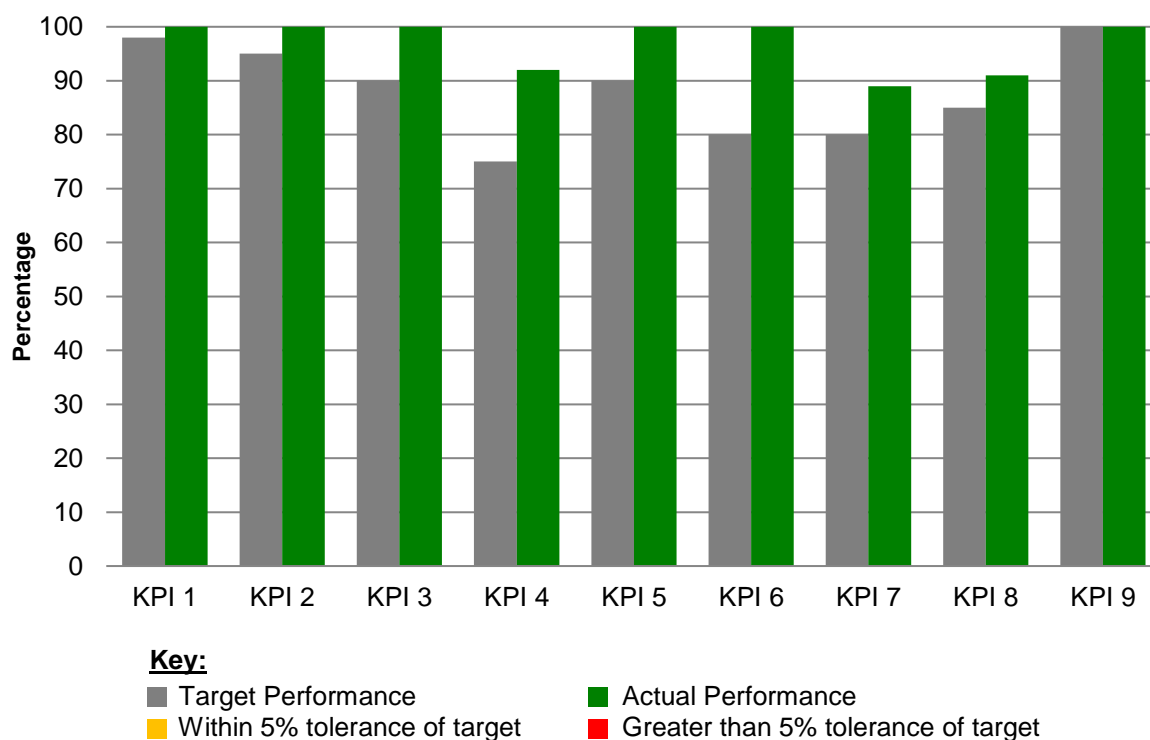
3.5.1 We continue to undertake a quarterly approach to IA planning to ensure emerging risks and new areas of concern are captured, particularly within the fast changing environment the Council operates in. Over the last quarter we have undertaken our risk based planning meetings, alongside operational and corporate risk discussions due to the synergies between these two functions. Further to this, we have produced the detailed operational IA plan for Quarter 4 of 2019/20 (refer to **Appendix C**) in consultation with management. This quarterly planning cycle helps ensure that IA resources are directed in a more flexible and targeted manner, maximising resources as well as benefiting our stakeholders.

4. Analysis of Internal Audit Performance

4.1 IA Key Performance Indicators

4.1.1 The IA KPIs measure the quality, efficiency and effectiveness of the IA service. They assist IA and the Council in helping measure how successful IA has been in achieving its strategic and operational objectives. We believe that these KPIs (as detailed at **Appendix D**), are meaningful and provide sufficient challenge to the service. They measure the quality, efficiency and effectiveness of the IA service and thus assist us in providing an added value assurance and consulting service to our range of stakeholders. Cumulative performance against the KPIs in the 1st October to 31st December 2019 period is summarised below:

Chart 4 - 2019/20 IA Key Performance Indicators

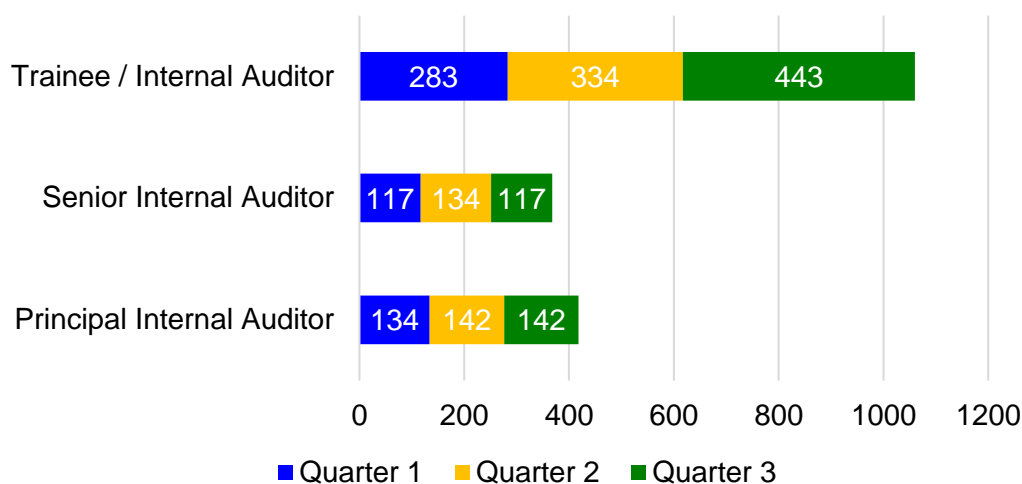


4.1.2 In Quarter 3 all nine IA KPIs were met or actual performance exceeded the target set. This is an excellent achievement by the IA team during a period of inducting three new IA staff and the considerable amount of time this process takes. In relation to KPI 7 (the time taken to finalise final reports from draft stage), performance has dropped slightly in Quarter 3 compared to Quarter 2 (100% in Q2, to 89% in Q3). The reason for the drop in overall performance is due to one audit (**Cyber Incident Management**) where the report finalisation exceeded the 15 day target. Nevertheless, the 80% target is still being exceeded and IA performance in this area is currently very good.

4.2 2019/20 Staffing Matrix

4.2.1 Following a request by the Audit Committee raised in previous meetings, the IA 2019/20 Quarter 3 Progress Report contains a **Staffing Matrix** (refer to chart overleaf) which provides a summary breakdown and comparison of each category of IA staff's performance including **the total days spent on IA reviews in 2019/20 to date**, by each category of IA staff.

4.2.2 In **2019/20** the approved IA annual resource **plan had 765 chargeable IA days**. By 'chargeable' we mean time allocated for IA reviews that IA staff carry out. This excludes non-chargeable time by IA staff which includes training (internal, external and professional), management duties such as performance and quality reviews, attending team meetings and IA improvement plan responsibilities.

Chart 5 - Total days spent on IA reviews in 2019/20 to date (Quarters 1 to 3)

4.2.3 To help understand the figures summarised above in **Chart 5**, the following points should be noted:

- For the Trainee / Internal Auditor role:
 - 1 Apprentice and 2 Internal Auditors have been with the IA team prior to 2019/20 Q1;
 - 1 Internal Auditor and 1 Secondee joined the IA team during Q3;
- For the Senior Internal Auditor (SIA) role:
 - There is currently 1 SIA in the IA team structure;
- For the Principal Internal Auditor (PIA) role:
 - There are 2 officers in this category, one of whom (the Risk and Insurance Manager) joined the IA team during Q3; and
- For each piece of work that IA undertakes, often several IA staff members can be working on the assignment simultaneously. For example the SIA could have assistance from one or two trainees and that work is also reviewed by the PIA and HIA. As a result, looking purely at a 'days v assignments' performance data report would not provide a full picture or an accurate reflection of work undertaken by individual IA staff.

4.2.4 Staff performance against chargeable and non-chargeable work is reviewed extensively within the IA team. All operational staff must complete weekly timesheets where each activity/work they perform is allocated to a code and time is logged accordingly. Utilisation targets are prepared annually, weekly timesheets help staff and managers check that utilisation targets are being met on a monthly, quarterly and annual basis. Any deviations are discussed with staff during regular 1:1's as well as 6 monthly and annual performance review meetings. All of these methods form our robust performance management process.

5. Forward Look

- 5.1 Following a change within the Troubled Families (TF) Team there has been a revised Council-wide initiative to support more families through the TF programme. This will naturally have an effect on the number of families that IA test during Quarter 4, as the more families the Council support the more the IA team is expected to verify. As a result, we will continue to train more IA team members on the TF programme which helps knowledge sharing, increasing IA's skills set and balancing workloads within the IA team.
- 5.2 The HIA has agreed to temporarily cease IT audits in Quarter 4 while the ICT team focus on implementing previous IA recommendations and completing other time critical work. However, we are still working with ICT to agree the IT Audit Plan for 2020/21.

5.3 IA would like to take this opportunity to formally thank all staff throughout the Council with whom it had contact during Q3. There has been a continued collaborative approach in IA's working relationship with staff and management who have generally responded very positively to IA findings. There are no other matters that the HIA needs to bring to the attention of the Council's CMT or Audit Committee at this time.

Sarah Hydrie CMIIA, CIA
Head of Internal Audit & Risk Assurance

2nd January 2020

APPENDIX A**DETAILED INTERNAL AUDIT WORK UNDERTAKEN IN 2019/20**

Key:			
IA = Internal Audit	H = High Risk	M = Medium Risk	L = Low Risk
NP = Notable Practice	CFQ = Client Feedback Questionnaire	ToR = Terms of Reference	

2019/20 IA Assurance Reviews:

IA Ref.	IA Review Area	Status as at 31 st December 2019	Assurance Level	Risk Rating				CFQ Received?
				H	M	L	NP	
19-A12	Cyber Incident Management	Final report issued on 19 th Nov 2019	Limited	1	5	1	0	✓
19-A6	Imported Food Office – Regs 669 & 884	Final report issued on 22 nd Jul 2019	Reasonable	0	4	2	0	✓
19-A8	Cash Handling in Registrar's Office	Final report issued on 5 th Aug 2019	Reasonable	0	3	3	0	✓
19-A1	*Thematic Review of Schools Payroll	Final report issued on 9 th Sep 2019	Reasonable	0	16	5	1	✓
19-A2	Compliance with Criminal Finances Act	Final report issued on 9 th Sep 2019	Reasonable	1	5	4	0	✓
19-A4	Battle of Britain Bunker	Final report issued on 30 th Sep 2019	Reasonable	0	5	6	1	✓
19-A3	Grounds Maintenance - Spend on High Value Equipment	Final report issued on 30 th Sep 2019	Reasonable	0	7	1	0	✓
19-A7	Food H&S - Site Inspections	Final report issued on 24 th Oct 2019	Reasonable	0	7	1	0	✓
19-A14	Absence Management	Final report issued on 9 th Dec 2019	Reasonable	0	2	1	2	✓
19-A13	**Thematic Review of Pupil Premium Funding in Schools	Testing in progress						
19-A19	Corporate Governance	Testing in progress						
19-A20	Payment Process New Yr's Green Lane	Testing in progress						
19-A21	Missing Children from Home and Care	Testing in progress						
19-A22	Voids Management	Testing in progress						

* Total number of recommendations raised across 6 schools

** Total number of schools in IA sample is 7

APPENDIX A (cont'd)**DETAILED INTERNAL AUDIT WORK UNDERTAKEN IN 2019/20****2019/20 IA Assurance Reviews:**

IA Ref.	IA Review Area	Status as at 31 st December 2019	Assurance Level	Risk Rating				CFQ Received?
19-A25	Admin of DSG in Nurseries	Testing in progress						
Total Number of IA Recommendations Raised				2	54	24	4	
Total % of IA Recommendations Raised				2%	64%	29%	5%	

2019/20 IA Follow-Up Reviews:

IA Ref.	IA Follow-Up Review Area	Status as at 31 st December 2019	Recommendations					CFQ Received?
			Implemented	Partly Implemented	Not Implemented	+N/A	Total	
19-A10	Volunteering	Memo issued on 21 st Jun 2019	3	0	0	0	3	✓
19-A11	Trading Standards	Memo issued on 15 th Jul 2019	6	1	0	0	7	✓
19-A17	Cyber Security	Memo issued on 30 th Sept 2019	3	1	1	0	5	✓
19-A16	Positive Behaviour Support Team	Memo issued on 22 nd Oct 2019	3	3	1	0	7	✓
19-A24	Merchiston House	Memo issued on 16 th Dec 2019	6	0	0	0	6	✓
19-A9	Follow-Up of Previous IA Rec's	Testing in progress	54	0	0	18	72	N/A
19-A15	Emergency Duty Team	Testing in progress	-	-	-		-	-
Total Number			75 75%	5 5%	2 2%	18 18%	100	

⁺ IA follow-up work has concluded this recommendation is no longer applicable

2019/20 IA Consultancy Reviews:

IA Ref.	IA Review Area	Status as at 31 st December 2019	CFQ Received?
19-C4	Troubled Families Spot Check	Memo issued on 25 th Jun 2019	N/A
19-C2	Inquest Hearing Preparation	Memo issued on 13 th Sept 2019	✓

APPENDIX A (cont'd)**DETAILED INTERNAL AUDIT WORK UNDERTAKEN IN 2019/20****2019/20 IA Consultancy Reviews:**

IA Ref.	IA Review Area	Status as at 31 st December 2019	CFQ Received?
19-C5	Hillingdon Shared Lives Fund	Memo issued on 27 th Nov 2019	✓
19-C8	Safeguarding Adults Review – Learning Points Verification	Memo issued on 23 rd Dec 2019	Not yet due
19-C1	Private Sector Housing Q1 - Q3 (Working Group)	Advisory work concluded in Q3	N/A
19-C3	HR IT Projects (Working Group)	Testing in progress	
19-C7	Payment Modernisation (Working Group)	Testing in progress	

2019/20 IA Grant Claim Verification Reviews:

IA Ref.	IA Review Area	Status as at 31 st December 2019
19-GC1	Troubled Families Grant - Quarter 1	Certified, memos issued on 24 th Apr and 26 th Jun 2019
19-GC3	2017/18 DfE Collaborative Fund (St. Mary's Catholic Primary School)	Certified and memo issued on 27 th Jun 2019
19-GC4	2018/19 DfE Collaborative Fund (St. Mary's Catholic Primary School)	Certified and memo issued on 27 th Jun 2019
19-GC8	Troubled Families Grant - Quarter 2	Certified, memos issued on 24 th Jul, 29 th Aug and 27 th Sep 2019
19-GC2	Housing Benefit Subsidy Grant	Certified and memo issued on 22 nd Aug 2019
19-GC7	Pothole Action Fund	Certified and memo issued on 11 th Sep 2019
19-GC6	Bus Service Operators Grant	Certified and memo issued on 27 th Sep 2019
19-GC5	Disabled Facilities Capital Grant	Certified and memo issued on 30 th Oct 2019
19-GC9	Troubled Families Grant - Quarter 3	Certified and memos issued on 23 rd Oct, 29 th Nov and 18 th Dec

APPENDIX B**REVISIONS TO THE 2019/20 INTERNAL AUDIT PLAN ~ QUARTER 3****AMENDMENTS to the 2019/20 Operational IA Plan for Quarter 3:**

IA Ref.	Planned IA Review Area	Review Type	IA Risk Rating	Review Sponsor	Scope / Rationale
19-C6	Administration of Dedicated Schools Grant in Nurseries	Consultancy	MEDIUM	Tony Zaman Corporate Director, Social Care	Following the IA planning meeting with the audit sponsor, it was mutually agreed that due to the risks in this area an Assurance audit would add more value than a consultancy piece and therefore the review type was changed accordingly.
19-C7	Payment Modernisation	Consultancy	MEDIUM	Jean Palmer Deputy Chief Executive & Corporate Director of Residents Services	During the background/ planning phase, it became apparent that this work is a long-term project, which requires IA assistance in an advisory capacity rather than a one-off review. The Principal Internal Auditor will attend weekly Working Group meetings and offer advice and support.

IA work DEFERRED from the 2019/20 Operational IA Plan for Quarter 3:

IA Ref.	Planned IA Review Area	Review Type	IA Risk Rating	Review Sponsor	Scope / Rationale
19-A18	Cyber Maturity Assessment	Assurance	HIGH	Jean Palmer Deputy Chief Executive & Corporate Director of Residents Services	Due to several high profile pieces of work, which are due to for completion in quarters 3 and 4 the ICT team requested IA defer this audit. On the basis that IA have performed dedicated IT reviews this year, raised numerous recommendations and carried out follow-ups we are satisfied that the risk landscape can be managed effectively whilst we take a temporary hiatus. In the meantime, IA is preparing the IT Audit Plan for 2020/21 with key contacts.
19-A23	Counter Fraud Policies	Assurance	MEDIUM	Paul Whaymand Corporate Director of Finance	It was agreed that the timing of this review was too early to provide assurance to management over key risks. The Council's Counter Fraud policies were revised and published in October 2019, a training workshop is being delivered Council-wide from December 2019 and an e-learning module is currently in development. This audit will be reinstated when the Counter Fraud policies and training have had time to be embedded across the Council.

APPENDIX B (cont'd)**REVISIONS TO THE 2019/20 INTERNAL AUDIT PLAN ~ QUARTER 3****IA work ADDED to the 2019/20 Operational IA Plan for Quarter 3:**

IA Ref.	Planned IA Review Area	Review Type	IA Risk Rating	Review Sponsor	Scope / Rationale
19-C8	Safeguarding Adults Review – Learning Points Verification	Consultancy	HIGH	Tony Zaman Corporate Director, Social Care	During the quarterly IA planning meeting, the Assistant Director Social Care, Mental Health and Learning Disabilities requested IA provide assistance for the preparation of an inquest hearing due to take place in January 2020. The work involves independently verifying each of the Council owned 'Actions to Improve Practice', to ensure our evidence is available, complete and robust to challenge. IA agreed to perform the work due to the risk and time constraints involved.

APPENDIX C**DETAILED OPERATIONAL INTERNAL AUDIT PLAN 2019/20 ~ QUARTER 4****IA work scheduled to commence in the 1st January to 31st March 2020 period:**

IA Ref.	Planned Audit Area	Audit Type	Risk Assessment	Review Sponsor	Rationale
19-A26	Private Sector Housing	Assurance	HIGH	Jean Palmer Deputy Chief Executive & Corporate Director of Residents Services	Following the 2017/18 IA assurance review of Houses in Multiple Occupation (HMO) which received a NO assurance opinion and the subsequent follow-up reviews conducted in 2017/18 and 2018/19 IA found that the control environment, systems, processes and team structures have moved on so significantly that the recommendations are no longer fully relevant. Following a risk assessment, IA planned to undertake a wider review of the Private Sector Housing Service (including HMOs) in Q4 2019/20.
19-A27	Adult Pathway	Assurance	MEDIUM	Tony Zaman Corporate Director, Social Care	The Adult Pathway is a social care process designed to help residents over the age of 18 who are seeking support from the Council. The Pathway operating model has been working successfully but recently there has been an increase in placements and packages which the Corporate Director, Social Care would like IA to examine. Due to the risks this area poses to our residents and the Council, we have agreed to review this area but focusing on the 'front door' process i.e. first point of contact, decision-making, screening, handover, determination and forecasting of support.
19-A28	Voids Tenancy Management	Assurance	MEDIUM	Jean Palmer Deputy Chief Executive & Corporate Director of Residents Services	The Council's Voids Tenancy Management team have been experiencing challenges recently regarding repairs, contractor capacity, staffing and properties. This IA review will give assurance over the end-to-end process including the computerised tracking system with the aim of identifying and rectifying control weaknesses.
19-A29	Tenancy Management – Terminating a Tenancy	Assurance	MEDIUM	Jean Palmer Deputy Chief Executive & Corporate Director of Residents Services	Following a legal case where the Council made a wrongful decision to relinquish a tenancy from a service user under the Deprivation of Liberty safeguard, the Council's processes have been updated to prevent such decisions from occurring again. IA will review the revised control framework and its implementation across Adult Social Care to ensure the risk is being managed appropriately.

APPENDIX C (cont'd)**DETAILED OPERATIONAL INTERNAL AUDIT PLAN 2019/20 ~ QUARTER 4****IA work scheduled to commence in the 1st January to 31st March 2020 period:**

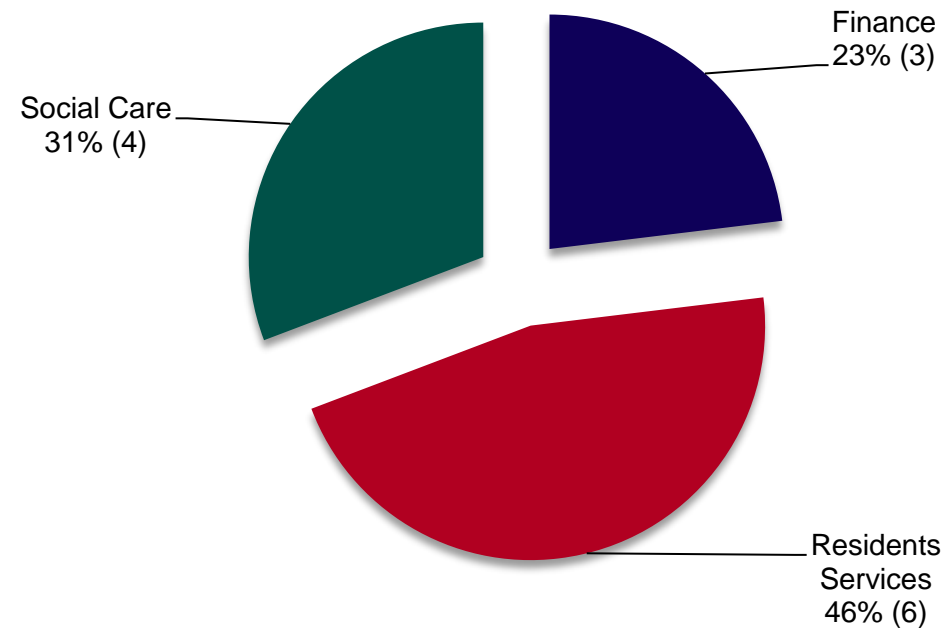
IA Ref.	Planned Audit Area	Audit Type	Risk Assessment	Review Sponsor	Rationale
19-A30	Playground Inspections	Assurance	MEDIUM	Jean Palmer Deputy Chief Executive & Corporate Director of Residents Services	The Council is legally required to perform inspections on playgrounds for health and safety and insurance purposes. The current process for recording inspections is quite manual and as a result there is a risk that areas can be missed. This review will provide assurance over the current process for performing inspections as well exploring options for automating manual operations so that the process is working efficiently.
19-A31	Procurement Cards	Assurance	MEDIUM	Paul Whaymand Corporate Director of Finance	Following a recent exercise reviewing procurement card expenditure, invoices and the recording of VAT there have been a number of expenses which have been incorrectly submitted. There is a risk that if the Council staff continue to make incorrect VAT claims we are liable to incur financial penalties. IA will review the current procurement card process to identify whether the control framework is still fit for purpose.
19-A32	Early Years Centres Follow-up	Assurance (Follow-Up)	MEDIUM	Tony Zaman Corporate Director, Social Care	Following the 2018/19 IA assurance review of Early Years Centres which received a NO assurance opinion we will check that the 3 MEDIUM risk recommendations marked as Implemented by management have been verified. We will also check the progress of the remaining 3 HIGH and 2 MEDIUM risk recommendations.
19-A33	Child Protection Conferences Follow-up	Assurance (Follow-Up)	MEDIUM	Tony Zaman Corporate Director, Social Care	Following the 2017/18 IA assurance review of Child Protection Conferences which received a LIMITED assurance opinion we will check that the 8 MEDIUM risk recommendations marked as Implemented by management have been verified.
19-C9	Data Security and Protection (DSP) Toolkit	Consultancy	MEDIUM	Jean Palmer Deputy Chief Executive & Corporate Director of Residents Services	The DSP Toolkit is an online self-assessment tool that allows organisations to measure their performance against the 10 data security standards. All organisations that have access to NHS patient data and systems must use this toolkit to provide assurance that they are practising good data security. IA will check the Council's submission and supporting evidence before it is presented to the NHS.

APPENDIX C (cont'd)**DETAILED OPERATIONAL INTERNAL AUDIT PLAN 2019/20 ~ QUARTER 4****IA work scheduled to commence in the 1st January to 31st March 2020 period:**

IA Ref.	Planned Audit Area	Audit Type	Risk Assessment	Review Sponsor	Rationale
19-C11	Store Stock Check 2019/20	Consultancy	MEDIUM	Jean Palmer Deputy Chief Executive & Corporate Director of Residents Services	IA provides independent oversight and verification of the 2019/20 year end stock check performed at the end of March at Harlington Road Depot (HRD).
19-C10	Mayor's Charity Accounts 2019/20	Consultancy	LOW	Paul Whaymand Corporate Director of Finance	The Mayor's Charity has been registered as a charitable trust in November 2015 and therefore is required to comply and operate within Charity Commission guidelines. The Council is currently preparing the accounts for the Mayor's Charity and IA has been asked to assist as part of this process. These accounts do not form part of the Council's finances so there would be no conflict in undertaking this review.
19- GC10	Public Health England Capital Funding Grant Claim 2019/20	Grant Claim	N/A	Paul Whaymand Corporate Director of Finance	The Council was awarded £69,660 by Public Health England to assist with the welfare pathway for 'Street Homeless Dependent Drinkers'. The HIA and the CEO are required to certify the conditions of the grant have been complied with by 13 th March 2020.
19- GC11	Troubled Families (TF) Grant - Quarter 4	Grant Claim	N/A	Tony Zaman Corporate Director of Social Care	The TF programme is a Central Government scheme under the MHCLG, with the stated objective of helping troubled families turn their lives around. The Council receives a payment by results from the MHCLG for each identified 'turned around' troubled family. As per the grant conditions, IA will undertake verification work to confirm identified TF have been 'turned around'.

APPENDIX C (cont'd)**DETAILED OPERATIONAL INTERNAL AUDIT PLAN 2019/20 ~ QUARTER 4 (cont'd)**

IA work scheduled to commence in the 1st January to 31st March 2020 period – Analysis by Corporate Director:



- The relevant Audit Sponsor (Corporate Directors, Directors, Deputy Directors, Assistant Directors and Heads of Service) will be consulted regarding the exact timing of each individual IA review; and
- Where an IA review is deferred or cancelled within the quarter, the relevant Audit Sponsor will be asked to provide an alternative audit in their Directorate (Group).

APPENDIX D**INTERNAL AUDIT KEY PERFORMANCE INDICATORS**

KPI Ref.	Performance Measure	Target Performance	Actual Q3 Performance	RAG Status
KPI 1	2019/20 HIGH risk IA recommendations where positive management action is proposed	98%	100%	GREEN
KPI 2	2019/20 MEDIUM risk IA recommendations where positive management action is proposed	95%	100%	GREEN
KPI 3	2019/20 HIGH risk IA recommendations where management action is taken within agreed timescale	90%	100%	GREEN
KPI 4	2019/20 MEDIUM risk IA recommendations where management action is taken within agreed timescale	75%	92%	GREEN
KPI 5	Percentage of annual (Q1 to Q4) IA Plan delivered to draft report stage by 31 st March	90%	100%	GREEN
KPI 6	Percentage of annual (Q1 to Q4) IA Plan delivered to final report stage by 31 st March	80%	100%	GREEN
KPI 7	Percentage of draft reports issued as a final report within 15 working days	80%	89%	GREEN
KPI 8	Client Satisfaction Rating (from CFQs)	85%	91%	GREEN
KPI 9	IA work fully compliant with the UK PSIAS and IIA Code of Ethics	100%	100%	GREEN

Key for above:

- CFQs = Client Feedback Questionnaires.
- PSIAS = Public Sector Internal Audit Standards.
- IIA = Chartered Institute of Internal Auditors (UK).

Key for future reporting on actual KPI performance:

- **RED** = currently this performance target is not being met (significantly [**>5%**] short of target performance).
- **AMBER** = currently not meeting this performance target (just short [**<5%**] of target performance).
- **GREEN** = currently meeting or exceeding this performance target

APPENDIX E**INTERNAL AUDIT ASSURANCE LEVELS AND DEFINITIONS**

ASSURANCE LEVEL	DEFINITION
SUBSTANTIAL	There is a good level of assurance over the management of the key risks to the Council objectives. The control environment is robust with no major weaknesses in design or operation. There is positive assurance that objectives will be achieved.
REASONABLE	There is a reasonable level of assurance over the management of the key risks to the Council objectives. The control environment is in need of some improvement in either design or operation. There is a misalignment of the level of residual risk to the objectives and the designated risk appetite. There remains some risk that objectives will not be achieved.
LIMITED	There is a limited level of assurance over the management of the key risks to the Council objectives. The control environment has significant weaknesses in either design and/or operation. The level of residual risk to the objectives is not aligned to the relevant risk appetite. There is a significant risk that objectives will not be achieved.
NO	There is no assurance to be derived from the management of key risks to the Council objectives. There is an absence of several key elements of the control environment in design and/or operation. There are extensive improvements to be made. There is a substantial variance between the risk appetite and the residual risk to objectives. There is a high risk that objectives will not be achieved.

1. **Control Environment:** The control environment comprises the systems of governance, risk management and internal control. The key elements of the control environment include:
 - establishing and monitoring the achievement of the authority's objectives;
 - the facilitation of policy and decision-making;
 - ensuring compliance with established policies, procedures, laws and regulations – including how risk management is embedded in the activity of the authority, how leadership is given to the risk management process, and how staff are trained or equipped to manage risk in a way appropriate to their authority and duties;
 - ensuring the economical, effective and efficient use of resources, and for securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness;
 - the financial management of the authority and the reporting of financial management; and
 - the performance management of the authority and the reporting of performance management.
2. **Risk Appetite:** The amount of risk that the Council is prepared to accept, tolerate, or be exposed to at any point in time.
3. **Residual Risk:** The risk remaining after management takes action to reduce the impact and likelihood of an adverse event, including control activities in responding to a risk.

APPENDIX E (cont'd)**INTERNAL AUDIT RECOMMENDATION RISK RATINGS AND DEFINITIONS**

RISK	DEFINITION
<p>HIGH</p> <p>●</p>	<p>The recommendation relates to a significant threat or opportunity that impacts the Council's corporate objectives. The action required is to mitigate a substantial risk to the Council. In particular it has an impact on the Council's reputation, statutory compliance, finances or key corporate objectives. The risk requires senior management attention.</p>
<p>MEDIUM</p> <p>●</p>	<p>The recommendation relates to a potentially significant threat or opportunity that impacts on either corporate or operational objectives. The action required is to mitigate a moderate level of risk to the Council. In particular an adverse impact on the Department's reputation, adherence to Council policy, the departmental budget or service plan objectives. The risk requires management attention.</p>
<p>LOW</p> <p>●</p>	<p>The recommendation relates to a minor threat or opportunity that impacts on operational objectives. The action required is to mitigate a minor risk to the Council as a whole. This may be compliance with best practice or minimal impacts on the Service's reputation, adherence to local procedures, local budget or Section objectives. The risk may be tolerable in the medium term.</p>
<p>NOTABLE PRACTICE</p> <p>●</p>	<p>The activity reflects current best management practice or is an innovative response to the management of risk within the Council. The practice should be shared with others.</p>