Internal Audit Progress Report

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REASON FOR ITEM

This report provides the Audit Committee with a summary of Internal Audit (IA) activity in the period from June 2010 to 31 August 2010. This fulfils the requirements of CIPFA's Code of Practice for Internal Audit in Local Government to bring to Members' attention periodic reports on progress against planned activity and any implications arising from Internal Audit findings and opinions.

The report also satisfies the Audit Commission requirements to keep Members adequately informed of the work undertaken by Internal Audit and of any problems or issues arising from audits

OPTIONS AVAILABLE TO THE COMMITTEE

To note in-year progress against the Internal Audit Plan for 2010-11, and the updated position of those audits undertaken in 2007-8, 2008-9 and 2009-10.

1. INFORMATION
1.1. In addition to the Annual Report, the Head of Internal Audit produces interim reports to Officers and Members throughout the year. These are approximately quarterly, summarise progress to date and bring to the attention of members any issues of note.

2. Progress against Plan and Follow up Status

2.1. In general, there are no significant causes for concern at this time with the levels of assurance being reported to the committee. Five audits in the current report received limited assurance. However, plans are in place to address the weaknesses identified.

2.2. The current status of this year's plan in included in Appendix 1.

2.3. The progress and status of those carried out in 2007-8, 2008-9 and 2009-10 is included in Appendices 2, 3 and 4.

2.4. As anticipated when setting the plan, a number of changes have been made to accommodate the changing needs of the council.

2.5. The following audits have been deleted from the current plan.

Community Transport and Pupil Transport – These audits will not take place in 2010-11. A Business Improvement Delivery (BID) project is currently underway to create and implement a fully Integrated Transport Unit (ITU). This will provide a single consolidated interface between service user/client and service provider. The audit will be undertaken in 2011-12 when the new arrangements are in place.

BS21 – The Government's decision to halt the Building Schools for the Future programme means that this audit is no longer required.

Civic Centre Mechanical and Electrical Contract –On discussion with senior management this was considered a low risk area. Management requested that this be replaced with a review of Engineering Consultancy Fees, where findings could assist with a review of the service.

Leisure Facilities Management Contract – The main leisure centre covered under this contract did not fully open until July 2010. To ensure that we can fully assess the operation of the contract we will defer this audit until the 1st quarter of 2011/12.

2.6. During the year the following audits were added to the plan

Engineering Consultancy Fees – Added at the request of the Corporate Director for Planning, Environment and Community Services.

S31/1717 New Burdens (Efficiency Information and Council Tax Demand) – New grant - certification by the Head of Internal Audit required.

Hillingdon Homes – at the request of the Head of Finance we have been included in the project team and will have a significant input to issues as the transfer completes.

Conflicts Of Interest –during the course of other audit work, it has become apparent that the policy and procedures were not clear and needed a comprehensive review. The output will be a revised procedure.

Higher Mileage User Status – Added following a request from the Employee Engagement Manager.

Payment Vouchers - Non-Invoice Payments – Added as other audit work identified that this method of payment was possibly being used to avoid the normal purchase order process.

2.7. Unless otherwise stated, all reports have an action plan agreed with internal audit.

2.8. Summaries of the outcomes of the audits completed in the period are provided below. Management comments are included where no or limited assurance has been given. These audits will be followed up in due course.

2.9. Continued progress has been made in clearing outstanding recommendations.

Mental Health
Assurance level: Limited

The following processes were adequate:

- adequate structure to delivery of service effectively and efficiently;
- adequate communication with London Borough of Hillingdon;
- dedicated crisis team in place;
- process to enable aftercare support.

The areas of concern resulting from the audit were:

- partnership agreement needed to be updated;
- timescales in the Care Programme Approach (CPA) policy not always complied with;
- CRB checks not completed for all staff working with vulnerable adults;
- information on Jade and Protocol System is not always complete and timely;
- employee personnel files were not complete and up to date;
- expenses policy is not complied with on a consistent basis.

Management Comment

The issues raised within the audit report are being dealt with jointly between ASCH&H and our colleague managers within CNWL. Overall the issues raised will be addressed by the renewed and robust partnership agreement leading to a proposed formal section 75 agreement. As an interim measure the Director of mental health services (CNWL) for Hillingdon is ensuring that appropriate monitoring arrangements are in place and regular reporting on these matters is on the Partnership Board agenda to ensure proper scrutiny.

Payroll
Assurance level: Limited

The following areas were found to be operating satisfactorily:

- Payslips are independently produced for staff and also available electronically;
- There is satisfactory monthly reconciliation of statutory deductions; the council did not incur Inland Revenue fine during year 2009/10 financial year;
- Statutory deductions are correctly calculated, deducted and paid
- Overpayments recovery process for members of staff in the services of LBH is satisfactory

The areas of concern resulting from the audit were:

- Late notifications leading to overpayments;

- No proper procedure for prompt notification of leavers;

- Criminal Records Bureau (CRB) checks are not up to date;

- A Payroll Procedure Manual, recommended in the last audit, is yet to be produced;

Management Comment

It is very pleasing to note the satisfactory elements identified through this audit. All recommendations for improvements are being addressed. Reports are now regularly produced on reasons for overpayments - and these issues taken up with managers responsible. The impending responsibility shift of the Business Support Units to HR Shared Services will help to alleviate concerns raised about control of CRB re-checks, and this is actively being addressed.

Flexi Working Arrangements
Assurance level: Limited Assurance

We were pleased to note that in accordance with policy:

- All staff had accrued appropriate credit time before taking a Flexi day.

- 99% of staff had recorded the correct credit time for annual leave days.

- 99% of staff had taken one flexi day in each 4 week accounting period.

There were some areas of non-compliance with policy:

- 12% of staff had credit hours in excess of 20 hours carried-forward in a 4 week accounting period.

- 1 member of staff had more than 1 day flexi leave taken in a 4 week accounting period.

- Time records not maintained.

- 16% of staff had taken lunch breaks during core working hours.

- 6% of staff's Managers were not authorising staff time records.

Management Comment - The Flexible Working Arrangements are currently under review as part of the BID process. The policy will be revised as appropriate to ensure it is fit for purpose and reflects the future organisational needs of the Council.

HR Payroll Changes & Trigger Dates
Assurance Level: Limited

We are pleased to report that:

- The Conditions of Service Handbook gives information and guidance on these extra payments.
- Specific policies are in place for Maternity Leave, Market Factor Supplements and Protected Rates. A policy on Honoraria is within the Conditions of Service Handbook.
- Up to date Schemes of Delegation exist for each Directorate, detailing the required levels of authorisation for the different types of payments.
- All staff on maternity leave had submitted their MAT B1 forms and these were held on file.
- Payments and rewards are currently being reviewed by Human Resources.

The areas of concern resulting from the audit were:

- The Changes of Details form is not clear and does not specify the level of authorisation required.
- Authorisation of payments did not comply with the relevant Scheme of Delegation.
- End dates were not recorded for payments where entitlement should only be for a certain period of time.
- Honoraria payments were still being paid for Carefirst Super Users, even though this system is no longer in use.
- Some employees had been in receipt of honoraria payments for a long period of time
- The majority of authorisations were not held on file or in the HR Email Inbox.

Management Comment
This audit has highlighted the importance of ensuring that additional payments being made to staff are appropriately authorised before being processed within HR. HR staff are now fully aware of levels of authorisation in accordance with the scheme of delegations, and are educating managers by returning incorrectly authorised requests. In terms of reviewing additional payments once they are in payment; end dates are now required for all new additional monthly payments and review processes are now in place, which include regular payroll reports.

Temporary Accommodation
Assurance Level: Limited

We are pleased to report that:

- The council has a strategy (2010/2013) in place regarding the provision of temporary accommodation

- The process for managing voids and monitoring and recovering current tenant arrears was adequate.

- Performance indicators were being reported and monitored monthly within the directorate and council.

The areas of concern resulting from the audit were:

- The procedure notes are out of date and need to be updated.

- Responsibility for monitoring and recovery former tenant arrears has not been reassigned and therefore debts are not being recovered.

- Bad debt provisions have been made for 2009/10 but the irrecoverable debts have not been written off.

Management Comment
The Service has been redesigned following BID methodology and is now in operation as of 23rd August 2010. Having reviewed roles and responsibilities with clear accountability channels, the areas identified for improvement have already been covered in the new business process. Management is confident that the recommendations will be implemented within the timescale agreed.

Disposal of IT Hardware Assets
Assurance level: Satisfactory

The London Borough of Hillingdon regularly disposes of items of computer hardware as part of its refresh cycle. The in-house ICT Hardware team is primarily responsible for administering the disposal process, but processes for the final destruction or recycling of redundant kit has been outsourced to a disposal contractor, Corporate-Max, the trading name of Hogatex (UK) Ltd.

The objective of the review was to ensure appropriate procedures have been established for the proper disposal of obsolete hardware.

We were pleased to note:
- the council has a document disposal policy and procedures which ensure disposals are carried out in accordance with WEEE directives;

- hardware for disposal and hard discs that require data to be erased are stored in secure looked rooms to which access is restricted to authorised personnel;

- there are standard, automated processes in place for harvesting software licences from redundant equipment and transferring such licences to new equipment;

- the council has a commitment to use only WEEE registered disposal company for disposing redundant computers.

Improvement is required in the following areas:

- manual records of disposals are maintained;
- there is no process for regularly reconciling the number of items for disposal recorded by the ICT Hardware team with those recorded as disposed of by the disposal company;
- no printed reports are produced confirming the success of the internal Hard Disc data wipe process.

Grants to Voluntary Organisations
Assurance Level: Satisfactory

We are pleased to report that:

- The level of funding and allocations to voluntary organisations was approved by Cabinet.
- Organisations received the correct amounts in 2 equal instalments, which were paid in April and October.
- All payments had been authorised by the Head of Accounting.
- Service Level Agreements were in place where funding was agreed for 3 years.

The areas of concern resulting from the audit were:

- There were no written procedures for staff to follow.
- Voluntary organisations receiving over £5,000 in grant monies did not always have a Service Level Agreement in place.
- Monitoring visits are not recorded.

Estates and Valuation Service
Assurance level: Satisfactory

The following processes were found to be adequate:

- 5 year rolling valuation plan to get up to date valuations;
- effective rent collection process in place via Sundry Debtors.

Areas which can be improved are:

- team/Service plans should be updated on Excelsis;
- no procedures for core processes;
- compliance with the voluntary sector leasing policy;
- training on the database systems;

- audit trail of the decisions made by Strategic Property Group;
- qualification certificates not held;
- technical issues regarding the database systems not followed up.

The department did not agree with the recommendation that Human Resources should keep copies of employees' certificates on file as evidence of their qualification. They considered that the checks when recruiting new staff were sufficient.

Private Sector Leasing
Assurance level: Satisfactory

The Private Sector Leasing (PSL) scheme enables the Council to access private sector rented accommodation in order to provide temporary accommodation for households in priority groups. The PSL scheme has been in operation in London Borough of Hillingdon (LBH) since August 2002. Two large Landlords currently manage contracts for PSL accommodation on behalf of LBH

During this audit we followed up outstanding recommendations from the 2007-8 audit. Significant progress has been made with the one outstanding recommendation, which requires the cooperation of 3 external agencies to enable its full completion.

In the current audit the following processes were found to be operating well:

- Recovery of former tenant arrears
- Core processes have been documented with process flow diagrams
- Void properties are monitored and reconciled to the Private Sector Leasing housing stock
- There is clear evidence that the Key Performance Indicators are monitored on a monthly basis

The areas requiring further improvement are:

- The strategy on temporary accommodation has not been approved.
- Formalising procedures for collecting tenant arrears and agreeing end of tenancy liability calculations.
- Prompt resolution of reconciliation differences and any unidentified differences.
- the need for an independent review of Key Performance Indicators information provided by the managing agents

Freedom of Information and Data Protection
Assurance level: Satisfactory

We were pleased to note:-

- There is extensive general reference and guidance information held on the Council Intranet / Website.
- There are specific Council policy documents in place for FOI and DP.
- There is an officer with responsibility for FOI / DP and nominated departmental contact officers within services who also have associated delegated responsibilities.
- There is a computerised system in place for recording and tracking of actions and to assess performance.

The key areas of concern resulting from the audit were:-

- Little or no reference information held on the Hillingdon Grid for Learning Computer network.

- Limited pro-active action to assist staff awareness.

- Limited regularity and non-mandatory aspect of staff training.

- There is irregular review of the adequacy of Horizon / Council Website information.

- Access to the FOI Request-Logging application is not restricted.

- No periodic, independent review of departmental FOI / DP actions.

- No regular review and reporting of performance or performance comparisons with other local authorities.

The department did not agree with the recommendation that the Freedom of Information / Data Protection performance is periodically compared with other authorities.

Legal Services has introduced processes whereby it can itself accurately monitor the response times to requests for information which are made pursuant to the Freedom of Information and Data Protections Acts. The purpose of this is to ensure that a high quality service is provided at all times. This monitoring reveals that there is 100% compliance with all requests received and therefore if bench marking was undertaken with other authorities, this would add absolutely no extra value to the system which is currently in place.

Nursery Education
Assurance level: Satisfactory

For the 6 nursery settings we were pleased to note:

- Registers were being maintained

- Parents were informed of the Free Early Education Entitlement before enrolment

However some areas for improvement were:

- Invoices need to be amended to include amount of Free Early Education Entitlement hours.

- Birth certificates need to be copied and kept on file for each child

- Letters need to be sent out to parents informing of changes to entitlement

IT Risk Management
Assurance level: Satisfactory

We were pleased to note that the following were in place:

- A Risk Management Policy and Strategy;

- ICT Departmental risk register, which is reviewed by Senior Management Team on a regular basis and is used to populate the corporate risk register;

- Individual risk registers are maintained for IT projects in accordance with the Council's Project Management Methodology.

Control could be improved in the area of reviewing IT risks on an ongoing basis at the ICT Departmental Management Team meetings.

Contract Register and Rationalisation
Assurance level: Satisfactory

We were pleased to note that the following were in place:

- There is a council wide framework for managing procurement activities consisting of Contract Review Board, Contract Register and Procurement Delivery Plan for each directorate to help monitor and manage supplies.

- Roles and responsibilities for managing the procurement activities are clearly defined.

- The savings and efficiencies identified are logged and built into the procurement delivery plan.

The areas for improvement resulting from the audit were:

- Contracts to be given unique contract reference number
- Documented procedures & guidance notes are to be put in place.

Oracle Financials Application Review
Assurance level: Satisfactory

We were pleased to note that the controls upon which the organisation relies to manage the Oracle Financials Application, as currently laid down and operated, are adequate and complied with.

The area that requires improvement is reviewing the user accounts of Oracle Financials and disabling those that have not logged into the system more than 6 months.

Housing Revenue Account
Assurance level: Satisfactory

The following areas were reviewed and found to be operating satisfactorily:

- There is a detailed long term Business plan 2003-2033 in place;
- Satisfactory budget authorisation and monitoring process in place;
- There are controls in place to ensure that HRA abide by DCLG directives;
- Income and expenditure are calculated in accordance with DCLG annual directives.

Below are the areas which require improvement:

- Minutes of budget monitoring meetings with Hillingdon Homes are   not produced;
- No proof of supervision check on reconciliation statement completed.

School Meals Service
Assurance Level: Full

The following controls were in place:

- There is a clear strategy on how to promote healthy eating within Hillingdon Schools.
- Food audits are conducted to ensure schools are compliant with the food and nutrient based standards.
- There were clear action plans in place to help the bottom twenty schools with the lowest take up to increase their take up.
- The initiatives organised by the Food In Schools Team (FiST) encourage community cohesion and raise healthy eating awareness.

The following areas require improvement:

- Capturing feedback from pupils who experience the school meal service.

Housing Benefit
Assurance level: Full
We were pleased to note:

- Controls around application forms, proof of residency and identity were found to be well controlled.
- Satisfactory evidence of income, dependants, non-dependants and rent payable was obtained for applications.

- There were no concerns regarding the payment of Housing Benefits, the recovery procedures for any overpayments or write-offs.

Youth Offending Service
Assurance level: Full

We were pleased to note that:

- Appropriate policies, plans and procedures were in place and accessible to staff.

- Case referral and assessment processes were satisfactory.

- Client information was appropriately recorded and managed.

- There was appropriate partnership, agencies and inter-service/authority working and liaison.

- Performance is measured, and reviewed and reported.

- Full staff Criminal Records Bureau (CRB) checks are undertaken.

- There is guidance on staff confidentiality expectations.

- A complaints process exists.

The areas of concern resulting from the audit were:

- YOS staff members are not required to formally sign up to a confidentiality code.

- There were some delays in the authorisation of client case records closure on the Careworks Computer System.

- There was a control lapse because the YOS had not ascertained whether a seconded officer from the Probation Service had an up to date CRB Disclosure and when the next CRB check was due.

Stroke Care Grant Audit – Internal Audit audited the claim for Stroke Care Grant and certified the Statement of Grant Usage as fairly representing the eligible expenditure in accordance with the grant's conditions.

Schools' Audits
The table below summarised the school audits finalised in the period.

2009-10	Assurance Level
Schools - Primary	
Glebe	Satisfactory
Coteford Infants	Satisfactory
Cowley	Satisfactory

2009-10	Assurance Level
Harlyn	Satisfactory
Pinkwell	Satisfactory
William Byrd	Satisfactory
Schools - Secondary	
Swakeleys	Satisfactory

3. Follow up audits

3.1. We continue to make progress in following up and clearing action points from previous audits. At the previous committee, we reported that one school had an outstanding recommendation. We have confirmed that this has now been implemented.

3.2. The table below shows the results of follow ups for general audits and school audits. Implementation rates on follow ups were relatively high at 84%.

AUDIT TITLE	DATE ISSUED	HIGH	MEDIUM	LOW		IMPLEMENTED HIGH	IMPLEMENTED MEDIUM	IMPLEMENTED LOW		NOT IMPLEMENTED - HIGH	NOT IMPLEMENTED - MEDIUM	NOT IMPLEMENTED - LOW
Trading Standards - 2009/10 Review	Nov-09	0	3	2		0	3	2		0	0	0
Carefirst Debtors- 2009/10 Review	Feb-10	1	2	1		0	2	1		1	0	0
Housing Benefits Subsidy 2009/10 Review	Oct-09	0	2	0		0	1	0		0	1	0
CRM Application (Onyx)	Dec-09	0	4	1		0	1	0		0	3	1
Carefirst Creditors- 2009/10 Review	Mar-10	0	1	1		0	1	1		0	0	0
Treasury Management	Feb-09	1	3	1		1	3	1		0	0	0
Private Sector Leasing	May-08	1	7	6		0	6	5		1	0	0
Finders Fee 2009/2010	Oct-09	0	2	0		0	2	0		0	0	0
Utilities Water	Apr-10	1	0	0		1	0	0		0	0	0
Teachers Payroll Audit 2009/2010	Aug-09	4	3	0		4	3	0		0	0	0
Environmental Services Application (M3) 09/10	Aug-09	1	7	2		0	1	1		1	6	1
Chrysalis Programme	Feb-10	2	2	1		1	2	1		1	0	0
Local Strategic Partnerships	Apr-10	0	2	6		0	2	6		0	0	0
Use of Shared Oyster Cards	Apr-10	5	2	0		5	2	0		0	0	0
HR & Payroll system	Dec-09	0	2	1		0	2	1		0	0	0

AUDIT TITLE	DATE ISSUED	HIGH	MEDIUM	LOW		IMPLEMENTED HIGH	IMPLEMENTED MEDIUM	IMPLEMENTED LOW		NOT IMPLEMENTED - HIGH	NOT IMPLEMENTED - MEDIUM	NOT IMPLEMENTED - LOW
Purchase Cards	Mar-10	0	3	0		0	3	0		0	0	0
Hillingdon First Card	May-10	2	1	1		2	1	1		0	0	0
Remote Access(ICT)	Dec-09	0	3	0		0	1	0		0	2	0
MCP Contracts Pre-Tender	Oct-09	2	3	2		1	3	2		1	0	0
Major Planning Applications follow-up	Apr-10	3	4	3		2	1	2		1	3	1
Council HRA Audit	Jun-10	0	1	1		0	1	1		0	0	0
Section 106 Contribution Audit	Aug-10	1	2	2		0	2	1		1	0	1
Pension Administration	Aug-10	0	1	0		0	0	0		0	1	0
Hardware Management	Dec-07	0	3	3		0	3	3		0	0	0
Helpdesk Review	Mar-09	0	1	3		0	0	3		0	1	0
Data Security and Transfer Follow up	Mar-09	0	4	3		0	3	3		0	1	0
Procurement/AP	Jun-07	0	3	3		0	3	3		0	0	0
Business Continuity Management & Civil Emergency	Jun-09	6	3	1		5	2	1		1	1	0
BACS Payment Application	Mar-08	0	4	2		0	4	2		0	0	0
Web Security	Nov-09	0	2	0		0	2	0		0	0	0
Restructuring of ICT	Jul-09	0	4	1		0	4	1		0	0	0
Land Charges	Mar-10	0	2	0		0	2	0		0	0	0
Belmore Primary	Nov-09	2	8	3		2	7	3		0	1	0
Charville Primary	Nov-09	3	4	2		2	4	2		1	0	0
Cranford Park Primary	Nov-09	1	3	3		1	2	3		0	1	0
The Douay Martyrs	Nov-09	3	3	3		3	3	3		0	0	0
Guru Nanak Secondary	Dec-09	2	5	2		2	5	2		0	0	0
Mellow Lane	Nov-09	2	5	3		2	5	3		0	0	0
Northwood	Jul-09	15	11	3		14	7	3		1	4	0
Queensmead	Dec-09	0	0	5		0	0	5		0	0	0
		58	125	71		48	100	67		10	25	4
	%					83%	80%	94%				

AUDIT TITLE	DATE ISSUED	HIGH	MEDIUM	LOW		IMPLEMENTED HIGH	IMPLEMENTED MEDIUM	IMPLEMENTED LOW		NOT IMPLEMENTED - HIGH	NOT IMPLEMENTED - MEDIUM	NOT IMPLEMENTED - LOW
	Implemented by Risk											
	Overall % Implemented									85%		
	Overall % Not Implemented									15%		

3.3. Details of audits followed up, but where High or Medium risk issues remain outstanding are as follows:

Audit Title	No. of Outstanding Recommendations	Revised Target Date	Comment
London Tender Portal	1	Jun 2010	Follow up in progress
General Ledger	2	Sep 2010	
Commercial Properties	2	Dec 2010	
Pensions Administration	1	Sep 2010	
Hillingdon Grid for Learning	2	Sep 2010	
Network Security	1	Mar 2011	
Northgate Revenues & Benefits Review	1	Jun 2010	
Email Security & Management	5	Aug 2010	Follow up in progress
Private Sector Leasing	3	Sep 2010	
Payroll	1	Sep 2010	
Ocella	4	Sep 2010	
Barnhill	3	Sep 2010	
Carefirst Debtors- 2009/10 Review	1	Mar 2011	
Housing Benefits Subsidy 2009/10 Review	1	Aug 2010	
CRM Application (Onyx)	4	Sep 2010	Includes 1 Low
Private Sector Leasing	1	Dec 2010	
Environmental Services Application (M3) 09/10	8	Dec 2010	Includes 1 Low
Chrysalis Programme	1	Sep 2010	
Remote Access(ICT)	2	Apr 2011	

Audit Title	No. of Outstanding Recommendations	Revised Target Date	Comment
MCP Contracts Pre-Tender	1	Sep 2010	
Major Planning Applications	5	Sep 2010	Includes 1 Low
Section 106	2	Dec 2010	Includes 1 Low
Pension Administration	1	Oct 2010	
Helpdesk Review	1	Apr 2011	
Data Security and Transfer	1	Dec 2010	
Business Continuity Management & C/ E	2	Dec 2010	
Belmore Primary	1	Sep 2010	
Charville Primary	1	Jul 2010	
Cranford Park Primary	1	Sep 2010	
Northwood	5	Sep 2010	

4. Anti Fraud Work

4.1. We completed 3 anti-fraud audits during the period. Summaries of their outcomes are detailed below.

Pensioner's Abroad – Life Certificates
We found that for the pensioners living abroad:

- all pensioners living abroad had returned their life certificates

- selected a sample of returned life certificates and checked they had been signed by the pensioner by verifying their signature to those on their respective files

- the life certificates were countersigned by an appropriate witness

- life certificates returned were reviewed by pension's staff and they had signed it to confirm their check

Although no major control weaknesses were identified, enhancements to the control system recommended were:

- The Axis system (used to record details on pensioners) should be updated with details when a pensioner has returned a life certificate to confirm they are alive and living abroad.

- Members of staff in the Pensions Section should initial/sign the life certificate when it has been reviewed.

Subsistence
We were pleased to note that:

- There was a clear and up to date policy for Claiming Expenses
- The majority of claims complied with the Council's Claiming Expenses Policy
- No payments exceeded the maximum allowance payable

The areas of concern resulting from the audit were:

- Some Debit/ Credit receipts were submitted rather than purchase receipts.
- Non-food items being purchased and claimed for as part of the meal allowance.
- Hot drinks being purchased at lunchtime and claimed for as part of the evening meal allowance.
- One case of numerous expense claims being submitted over 18 months after the expenditure had been incurred.
- Staff not deducting normal costs for their subsistence allowances.

Student Exemptions for Council Tax

We were pleased to note that:

- valid student certificates are provided;
- student certificates received are signed and certified as being "a copy of the true original";
- expiry dates of the course are recorded on the system.

4.2. The e-learning on Fraud Awareness is currently being rolled out, starting with the Adult Social Care, Health and Housing directorate. Awareness sessions for all new managers who started after the March 2010 sessions are scheduled for September 2010 and February/March 2011.

4.3. Progress on investigation of matches from the National Fraud Initiative 2008/09 has gone well and preparations are underway for submitting data to the Audit Commission for the NFI 2010/11.

4.4. A review of the Conflicts of Interest policy and procedures is being undertaken to close identified gaps.

4.5. There are 6 confidential investigations underway and the results of these will be reported upon conclusion of the investigations.

Internal Audit Plan 2010-11 Progress							
Audit Title	Status	Date Finalised	Assurance Level	Date of Last Follow Up	Number of outstanding recommendations		
					H	M	L
CROSS CUTTING CORPORATE ISSUES							
Anti Fraud and Investigation							
Taxes Management Act							
National Fraud Initiative (NFI)	Ongoing						
Anti Fraud Promotion	Ongoing						
Fraud/Irregularity Investigations	Ongoing						
Planned proactive (to be determined)	Ongoing						
- Pensioners Abroad - Life Certificates	Finalised	19/5/10	Satisfactory		0	0	2
- Subsistence	Finalised	6/7/10	Satisfactory		4	0	0
- Council Tax Student Exemptions	Finalised	15/6/10	Full		0	0	0
- Consultancy Staff	In progress						
- Pooled Car Usage	In progress						
- VDA Cancellations	In progress						
Other Cross-Cutting							
Annual Governance Statement - Audit	Completed						
Annual Governance Statement - Input	Ongoing						
Advice and Information (Ad hoc)	Ongoing						
Consultancy Advice - Specific Projects	Ongoing						
Carbon Reduction Strategy							
IT Policy Compliance							
Records Management	In progress						
Healthy Hillingdon							
Compliance with Driving Policy							
Misc Audit tasks							
Follow ups	Ongoing						

Internal Audit Plan 2010-11 Progress							
Audit Title	**Status**	**Date Finalised**	**Assurance Level**	**Date of Last Follow Up**	**Number of outstanding recommendations**		
					H	**M**	**L**
Brought forward Audits	Ongoing						
FINANCE & RESOURCES							
Risk Management	In progress						
Payroll - Starter & Leaver testing							
Debtors							
Debtors - ASC Protocol							
CT/NNDR - Contractor visit	Completed						
CT/NNDR - System							
LG Pension Scheme - Governance							
Online Payment Management Project							
Creditors							
Creditors - Protocol							
General Ledger							
Blue Badges	Draft						
DCEO							
Risk Management	In progress						
Performance Reward Grant (LAA)	In progress						
Economic Development							
Grants to Voluntary Organisations	Finalised	9/6/10	Satisfactory		0	4	0
Learning & Development							
Establishment control and Authorisation							
EDUCATION & CHILDREN'S SERVICES							

Internal Audit Plan 2010-11 Progress							
Audit Title	Status	Date Finalised	Assurance Level	Date of Last Follow Up	Number of outstanding recommendations		
					H	M	L
Risk Management	In progress						
Schools - Primary							
Cowley St Laurence	Finalised	21/5/10	Satisfactory		2	5	5
Harefield Infants	Draft						
Cherry Lane Primary	Draft						
Glebe Primary	Finalised	19/7/10	Satisfactory		1	5	0
Coteford Infants	Finalised	26/6/10	Satisfactory		0	6	3
Botwell House	Draft						
Breakspear Junior	Draft						
Dr Tripletts CE	Draft						
Field End Infants							
St Catherine's RC Primary							
Oak Farm Infants							
Highfield Primary							
Rabbsfarm Primary							
West Drayton Primary							
Guru Nanak Sikh Primary							
Lady Bankes Junior							
St Andrew's CE Primary							
Brookside Primary							
Warrender Primary							
Harefield Junior							
Longmead Primary							
Whiteheath Junior							
Heathrow Primary							
Lady Bankes Infants							
Minet Junior School							

Internal Audit Plan 2010-11 Progress							
Audit Title	Status	Date Finalised	Assurance Level	Date of Last Follow Up	Number of outstanding recommendations		
					H	M	L
Oak Farm Junior							
Newnham Infants							
Grange Park Junior							
Sacred Heart RC							
Belmore Primary							
Charville Primary							
Field End Junior							
Harlyn Primary							
Hillside Junior							
Wood End Park Primary							
Secondary							
Swakeleys	Finalised	18/6/10	Satisfactory		2	3	1
Special							
Chantry School	In progress						
Grangewood School							
Other School Related							
FMSIS Certification							
School Liaison/Newsletter/briefings	Ongoing						
BS21	Deleted						
Pupil Transport	Deleted Deferred to 11/12						
Education - Looked After Children	Planning						
Section 52							
Overpayments							

Internal Audit Plan 2010-11 Progress							
Audit Title	**Status**	**Date Finalised**	**Assurance Level**	**Date of Last Follow Up**	**Number of outstanding recommendations**		
					H	**M**	**L**
CHILDREN'S SERVICES							
Contact Point	Finalised	16/06/2010	Not Applicable	N/A	N/A	N/A	N/A
Child Protection and Reviewing							
Referral, Assessment	Planning						
Placement	Planning						
Research and Statistics	In progress						
Target Youth Support							
Children's centre's	In progress						
Extended Schools	In progress						
EMAS	Planning						
Youth Offending Service	Finalised	6/8/10	Full		0	3	0
ADULT SOCIAL CARE HEALTH & HOUSING							
Risk Management	In progress						
Community Transport	Deleted Deferred to 11/12						
Equipment and adaptations (All client groups)	In progress						
Financial Assessments	Planning						
Self Directed Support	Pilot Testing						
Housing							
Hillingdon Homes Dissolution	Ongoing						
Supporting People	In progress						
Housing & Council Tax Benefit							
Private Sector Renewal & Disability Grant	Draft						

Internal Audit Plan 2010-11 Progress							
Audit Title	**Status**	**Date Finalised**	**Assurance Level**	**Date of Last Follow Up**	**Number of outstanding recommendations**		
					H	**M**	**L**
Older People's Care							
Homecare - Contract Provision							
Residential Block Contracts							
Residential Spot Contracts							
Residential to Independent living							
People with Physical and Sensory Disability							
Children with Disabilities - Transition	Planning						
Stroke Care Grant	Completed						
Other Adult Services							
Safeguarding Adults							
ENVIRONMENT AND CONSUMER PROTECTION							
Risk Management							
Street Cleaning	In progress						
Improvement Projects							
Parking Cash Collection							
Parking Permits (Residents, Visitors & Brown Badges)	Draft						
Stray Dog Service	Draft						
Abandoned & Untaxed Vehicles	Draft						
PLANNING AND COMMUNITY SERVICES							
Risk Management							
Major Construction Projects							
Individual Project Management x 2							

Internal Audit Plan 2010-11 Progress							
Audit Title	**Status**	**Date Finalised**	**Assurance Level**	**Date of Last Follow Up**	**Number of outstanding recommendations**		
					H	**M**	**L**
Property							
Civic Centre Security contract	Draft						
Civic Centre Mechanical and Electrical Contract	Deleted Deferred to 11/12						
Facilities Management Contract							
Utilities - Water							
Arts, Culture, Libraries & Adult Education							
Adult Education							
Culture and Arts Strategy	In progress						
Sport and Leisure							
Fusion Management Contract							
Leisure Facilities Management Contract	Deleted Deferred to 11/12						
Contingency							
Audits							
S31/1717 NEW BURDENS (EFFICIENCY INFORMATION AND COUNCIL TAX DEMAND	Completed						
Hillingdon Homes Balance Sheet Review	Drafting						
Conflicts of Interest	In progress						
Higher Mileage User Status	In progress						
Engineering Consultancy	In progress						

Internal Audit Plan 2010-11 Progress							
Audit Title	**Status**	**Date Finalised**	**Assurance Level**	**Date of Last Follow Up**	**Number of outstanding recommendations**		
					H	**M**	**L**
Payment Vouchers - Non-Invoice Payments	In progress						
Investigation 028	In progress						
Investigation 029	In progress						
Investigation 030	In progress						
Investigation 031	In progress						
Investigation 032	In progress						
Entertainment Licence review	In progress						
Investigation 033	In progress						
ICT audit contract							
Disposals	Finalised	23/8/10	Satisfactory		0	3	1
Liquid Logic							
Software Licensing	Draft	9/8/10					
Oracle Financials- Debtors							
E-Payments Project							
Information Assurance & Security							

Internal Audit Plan 2009-10 Progress							
Audit Title	**Status**	**Date Finalised**	**Assurance Level**	**Date of last Follow up**	**Number of outstanding recommendations**		
					H	M	L
CROSS CUTTING CORPORATE ISSUES							
Budgetary control	Finalised	02/03/10	Satisfactory		0	6	2
Hillingdon First Card	Finalised	4/05/10	Satisfactory	11/8/2010	0	0	0
Purchase Cards - Corporate Usage	Finalised	29/03/10	Satisfactory	3/8/10	0	0	0
Local Strategic Partnership	Finalised	08/04/10	Satisfactory		0	0	0
Performance Management	Finalised	29/03/10	Satisfactory	28/02/11	1	1	0
Flexi Leave - Monitoring, Approval and Control	Finalised	15/7/10	Limited		6	0	0
DEPUTY CHIEF EXECUTIVE/FINANCE & RESOURCES							
Chrysalis	Finalised	11/02/10	Satisfactory	19/07/2010	1	0	0
HR Payroll changes and trigger dates	Finalised	29/6/10	Limited		4	4	0
Payroll	Finalised	17/08/10	Limited		4	2	1
Teachers Payroll - Starters, Leavers, Changes	Finalised	7/8/09	Limited	12/06/2010	0	0	0
Corporate Property							
Estate and Valuation Service	Finalised	19/7/10	Satisfactory		1	5	1
Utilities Contracts Gas & Electricity	Finalised	26/03/10	Satisfactory		0	1	1
Utilities Contracts Water	Finalised	16/04/10	No Assurance	June 2010	0	0	0
Legal							
Freedom of Information /Data Protection	Finalised	11/06/10	Satisfactory		1	8	1
Complaints Against Members	Finalised	23/11/09	Full		0	0	2
AXXIA System	Finalised	16/04/10	Satisfactory	Follow up in progress	0	2	5
Debt Recovery Processes	Finalised	10/5/10	Satisfactory		0	6	2
Major Construction Projects							
Contracts - Pre Tender	Finalised	30/10/09	Satisfactory	11/08/2010	1	0	0
Contracts - Current	Finalised	25/05/10	Limited		8	2	1

Internal Audit Plan 2009-10 Progress							
Audit Title	Status	Date Finalised	Assurance Level	Date of last Follow up	Number of outstanding recommendations		
					H	M	L
Procurement							
Due North System	Finalised	13/10/09	Satisfactory	12/03/2010	1	0	0
Contract Register and Rationalisation	Finalised	3/6/10	Satisfactory	29/10/10	0	2	0
ENVIRONMENT & CONSUMER PROTECTION							
Grounds Maintenance Contracts - Parks and Open spaces	Finalised	23/02/10	Satisfactory		0	4	0
Trees Maintenance	Finalised	6/1/10	Satisfactory	5/7/10	0	0	0
Highways Reactive Maintenance	Draft						
Highways Planned Maintenance	Finalised	26/01/10	Satisfactory		0	4	0
Parking Management Schemes - Authorisation and Control of	Finalised	4/5/10	Full		0	1	0
Breakspear Crematorium	Finalised	06/05/10	Satisfactory		2	6	0
Trading Standards	Finalised	16/11/09	Satisfactory	1/9/10	0	0	0
Domestic Waste Collection & Disposal	Finalised	3/6/10	Limited		3	4	3
PLANNING AND COMMUNITY SERVICES							
Major Applications	Finalised	15/04/10	Satisfactory		1	3	1
Building Control	Finalised	16/4/10	Full		0	1	0
Land Charges	Finalised	22/3/10	Satisfactory		0	0	0
CHILDREN'S SERVICES							
Nursery Education - Private Provision	Finalised	15/7/10	Satisfactory		11	6	1
School Meals Service	Finalised	14/06/10	Full		0	0	0
Asylum Accommodation	Finalised	23/04/10	Satisfactory		2	8	2
Asylum Finance	Finalised	23/04/10	Full		0	2	1
Schools - Primary							

Internal Audit Plan 2009-10 Progress							
Audit Title	**Status**	**Date Finalised**	**Assurance Level**	**Date of last Follow up**	**Number of outstanding recommendations**		
					H	M	L
Belmore Primary	Finalised	16/11/09	Satisfactory		2	8	3
Charville Primary	Finalised	12/11/09	Satisfactory		3	4	2
Cranford Park Primary	Finalised	05/11/09	Satisfactory		1	3	3
Harlyn Primary	Finalised	23/04/10	Satisfactory		2	5	0
Hayes Park Primary	Finalised	11/02/10	Satisfactory		1	2	0
Hillingdon Primary	Finalised	17/03/10	Satisfactory		0	5	3
Hillside Junior	Finalised	03/03/10	Satisfactory		2	4	3
Pinkwell Primary	Finalised	21/05/10	Satisfactory		4	5	2
William Byrd Primary	Finalised	30/4/10	Satisfactory		2	1	2
Wood End Primary	Finalised	11/2/10	Satisfactory		1	7	4
Schools - Secondary							
Barnhill Community High	Finalised	09/10/09	Limited	04/05/2010	0	1	2
Bishopshalt	Finalised	2/02/10	Satisfactory		3	7	5
The Douay Martyrs	Finalised	20/11/09	Satisfactory		3	3	3
Harlington Community	Finalised	2/2/10	Satisfactory		0	6	3
Haydon	Finalised	2/2/10	Limited		7	4	0
Mellow Lane	Finalised	27/11/09	Satisfactory		2	5	3
Northwood	Finalised	06/07/09	No Assurance		15	11	3
Queensmead	Finalised	17/12/09	Full		0	0	5
Rosedale College	Finalised	11/2/10	Satisfactory		1	2	0
Uxbridge High	Finalised	08/03/10	Satisfactory		0	2	3
Vyners	Finalised	12/03/10	Satisfactory		2	7	5
Ruislip High Secondary School	Finalised	25/03/10	Satisfactory		4	5	2
Wood End Park	Finalised	11/2/10	Satisfactory		1	7	4
Other School Related							
Primary Sickness Scheme	Finalised	29/01/10	Satisfactory		3	6	1
Hillingdon Grid for Learning	Finalised	2/12/09	No Assurance	May 2010	0	1	0

Internal Audit Plan 2009-10 Progress							
Audit Title	Status	Date Finalised	Assurance Level	Date of last Follow up	Number of outstanding recommendations		
					H	M	L
Schools Private Funds	Finalised	12/2/10	Satisfactory		1	0	0
ASCHH							
Finance systems							
Carefirst Creditors (Part year Adult Services)	Finalised	16/04/10	Satisfactory	June 2010	0	0	0
Carefirst Debtors	Finalised	12/2/10	Satisfactory	June 2010	1	0	0
Housing							
Council HRA	Finalised	17/6/10	Satisfactory	August 2010	0	0	0
Finders Fee	Finalised	29/10/09	Satisfactory	February 2010	0	0	0
Private Sector Leasing	Finalised	23/06/10	Satisfactory		0	2	0
Temporary Accommodation (formerly B&B)	Finalised	26/08/10	Limited		0	2	1
Housing Benefit Subsidy	Finalised	28/10/09	Full		0	2	0
Older People's Care							
Homecare In-House Provision	Finalised	13/05/10	Satisfactory		3	4	2
Learning Disabilities							
Sec 75 Agreement (Funding of LD Services)	Draft						
Mental Health Service							
Mental Health Service	Finalised	29/06/10	Limited		0	8	1
Contingency							
Cherry Lane Primary	Draft						
ICT Contracted Days							
IT Risk Management	Finalised	29/06/2010	Satisfactory		0	1	0
Restructuring of ICT	Finalised	29/07/10	Satisfactory	August 2010	0	0	0
IT Disaster Recovery	Finalised	14/04/10	Limited		1	3	0
CRM Application (Onyx)	Finalised	24/12/09	Limited	June 2010 new revised date Sept 2010	0	3	0

Internal Audit Plan 2009-10 Progress							
Audit Title	**Status**	**Date Finalised**	**Assurance Level**	**Date of last Follow up**	**Number of outstanding recommendations**		
					H	M	L
Environmental Services Application	Finalised	25/08/09	Limited	29th June 2010. April 2011	1	6	1
HR & Payroll System	Finalised	18/01/10	Satisfactory	30th June 2010.	0	0	0
Oracle Financials	Finalised	29/06/2010	Satisfactory		0	1	0
Data Matching	Finalised	N/A	Not Applicable				
Telephone Systems	Finalised	21/10/09	Full		0	0	0
Hillingdon Grid for Learning - Security	Finalised	2/12/09	No Assurance	May 2010	0	0	0

Internal Audit Plan 2008-9 Progress					Number of outstanding recommendations		
Audit Title	**Status**	**Date Finalised**	**Assurance Level**	**Date of last Follow up**	H	M	L
COUNCIL-WIDE ISSUES							
Property Databases	Finalised	07/01/09	Satisfactory	June 10 revised date Sept 2010	0	2	0
Use of Shared Oyster Cards	Finalised	31/8/09	Limited	July 2010	0	0	0
FINANCE & RESOURCES							
Payroll	Finalised	06/08/09	Satisfactory	Feb 10	-	3	2
General Ledger	Finalised	17/06/09	Satisfactory	March 10 revised date Sep 2010	-	1	1
Payroll Expenses Procedures	Finalised	23/12/08	Limited	Feb 10	1	0	0
Pensions Admin	Finalised	07/01/09	Satisfactory	August 2010 revised date Oct 2010	0	1	0
Commercial Properties	Finalised	11/09/08	Satisfactory	March 2010 revised date Dec 2010	-	2	-
ENVIRONMENT & CONSUMER PROTECTION							
Business Continuity & Emergency Planning	Finalised	08/06/09	Limited	Aug 2010 revised dated Dec 2010	1	1	0
PLANNING & COMMUNITY SERVICES							
S106 Planning Gain	Finalised	15/06/09	Satisfactory	12th August, 2010. revised date December 2010	1	0	1
IT Audits							
Web Security	Finalised	30/11/09	Satisfactory	Followed up August 2010	0	0	0
IT Physical and Environmental security	Finalised	25/03/09	Satisfactory	Followed up Feb 2010	0	1	1
Helpdesk Application	Finalised	05/03/09	Satisfactory	Followed up August 2010 revised date	0	1	0

Internal Audit Plan 2008-9 Progress							
Audit Title	Status	Date Finalised	Assurance Level	Date of last Follow up	Number of outstanding recommendations		
					H	M	L
				April 2011			
Housing & CT (Northgate) application review	Finalised	25/03/09	Satisfactory	March 2010	0	0	0
Ocella application review	Finalised	April 09	Limited	Followed up July 2010 revised date Sept 2010	0	2	0
IT Data Security and Transfer (from Contingency)	Finalised	26/03/09	Limited	Followed up August 2010	0	1	0
Email Security and Management	Finalised	27/05/09	Limited	Followed up Jan 2010 revised dated August 2010	0	3	0

Key

✓ for Finalised/Satisfactory/Full
⇨ for in progress
⇩ for Limited

☐ Currently being followed up

PLAN 2007-8

Audit Title	Status	Assurance Level	Number of outstanding recommendations			Comments
			High	Med	Low	
ADULT SOCIAL CARE, HEALTH & HOUSING						
Private Sector Leasing	✓	✓	1	0	0	Followed up as part of Feb 2010 audit – Revised dates Dec 2010
FINANCE & RESOURCES						
Asset Management/ Software and Hardware Management	✓	✓	0	0	0	Followed up August 2010
Network Security	✓	✓	0	0	0	Followed up April 2010
BACS Payments Application	✓	✓	0	0	0	Followed up August 2010
Website Content Management System	✓	✓	1	0	0	Head of Communication to report progress to Audit Committee in Dec 2010.
Business Continuity Management	✓	✓	0	2	0	2nd Follow up August 2010 – revised date Dec 2010
Procurement/AP	✓	✓	0	0	0	Followed up August 2010
Securicor collection	✓		3	0	0	Followed up Nov 2009 – Revised target Sept 2010