

REASONS FOR REPORT

The Code of Practice for Internal Audit in Local Government requires the Head of Audit to provide a written report to those charged with governance timed to support the Annual Governance Statement. It must

- Include an opinion on the overall adequacy and effectiveness of the organisation's control environment
- Disclose any qualifications to that opinion
- Present a summary of the audit work from which the opinion is derived
- Draw attention to issues relevant to the Annual Governance Statement
- Comment on compliance with standards and the results of the internal audit quality assurance programme

OPTIONS OPEN TO THE COMMITTEE

The Committee is requested to review the audit opinion and the evidence on which it is based.

BACKING DOCUMENTS

The code of Practice for Internal Audit in Local Government in the United Kingdom
Previous audit committee reports

INFORMATION

1. Opinion

1.1. Based on the work undertaken during the year Internal Audit can provide **satisfactory** assurance that the systems of internal control within the Council were operating adequately and effectively. Overall there were two No Assurance opinions, including one school and 14 Limited Assurances, including three schools.

2. System Weaknesses identified in year

2.1. During the year two audits were issued with no assurance reports. The areas and the current status of the findings are detailed below.

Blue Badges – This report was issued in November 2010 and with the support of management the issues have all now been resolved.

Chantry School – Major financial irregularities were identified in this school and following thorough investigations two members of staff were dismissed. The school now has a new management team and we will follow up our findings in September 2011 to ensure that everything has been addressed. In the meantime Internal Audit, the Schools' Finance team and Governor Services have been working closely with the school to provide advice and help as they improve their procedures.

3. Summary of Work

3.1. Annex 1 to this report contains a summary of the 2010-11 audit position in its Appendix 1. An update and executive summary of the 2010-11 audits completed since March 2010 is also included in the Annex.

3.2. The original plan for 2010-11 included 129 audits where there was an expected opinion or compliance view. The audit committee have been informed of most deletions from the original plan and the reasons for removal. Three audits have been removed post March 2011. These are notified in this report. At the same time, contingency items have been added as the need arose. As a result of these changes twenty audits have been deleted in year and thirty added giving a total of 142 audits for the year.

4. Comparison of actual and planned work

4.1. Of the 142, the number of planned and completed is 106; with 22 drafts issued and 11 work in progress and three not started.

4.2. A comparison with previous years' performance is included in the tables below. The tables show comparisons with the adjusted plan in all years. There has been a steady overall improvement in the output of the team.

Table 1 - Adjusted plan - Fully completed audits

| Adjusted Plan | Percentage of plan | | |
|--|--------------------|---------|---------|
| | 2010-11 | 2009-10 | 2008-09 |
| Planned and complete | 75 | 84 | 83 |
| Planned and Work In Progress at year-end | 23 | 16 | 17 |
| Planned, not started | 2 | 0 | 0 |
| Total | 100 | 100 | 100 |

Table 2 – Adjusted plan - Fully completed or draft issued

| Work Planned | Percentage of plan | | |
|--|--------------------|---------|---------|
| | | 2009-10 | 2008-09 |
| Planned and complete or draft issued | 90 | 95 | 92 |
| Planned and Work In Progress at year-end | 8 | 5 | 8 |
| Planned, not started | 2 | 0 | 0 |
| Total | 100 | 100 | 100 |

4.3. Seventeen investigations into fraud or irregularities have been instigated during the year. Where a conclusion has been reached, these have been reported to the committee in update reports. Largely they have fallen into four categories:

- No issue at the conclusion of the investigation.

- Issues to be addressed by management action
- Disciplinary issues
- Potentially criminal

4.4. Some potentially criminal cases have been referred to the Corporate Fraud team and the outcomes will be reported to the committee as they are known.

4.5. Anti Fraud work significantly exceeded the budgeted time. Although the time set aside for proactive work was around the 80 days allocated, the time spent on investigations was 234 days against a budget of 80. Almost half of this time was spent on the Chantry school investigations, 102 days.

4.6. Other work in support of the assurance statement included:

- Co-ordinating the National Fraud Initiative exercise and reporting savings to the Audit Commission;
- Maintaining the Fraud Hotline and email boxes and organising appropriate advertising;
- Contribution to the Annual Governance Statement (AGS) management group, to review evidence for the AGS.
- Auditing the manager assurance statements and evidence provided to support them for the AGS for 2010-11;
- Providing advice and guidance on a wide range of issues to Directorates
- A review of the audit reports produced by the internal auditors of Hillingdon Homes prior to the council resuming responsibility for council housing. Absorbing relevant parts of its outstanding plan following a re-evaluation of risk.
- Delivering Fraud Awareness workshops to managers and setting up an e-learning fraud awareness module for staff.

5. Issues Relevant to Annual Governance Statement (AGS)

5.1. The following issues require inclusion as control issues in the Annual governance statement.

- Water Utilities - strategy has been put in place but needs to be monitored for achievement.
- The BID programme has resulted in the amalgamation, division and reorganisation of services throughout the council. Changes to processes and procedures have not always matched this pace and this needs to be addressed in the coming year.

6. Performance against targets set

6.1. At the beginning of the year the target was set to deliver 90% of the audit plan to completion stage.

6.2. Staffing in Internal Audit was unchanged in year and although one member of staff had a period classified as long term sick, overall the average of 4.8 days was within the corporate target.

6.3. Seventy six audits have been finalised. This represented 75% of planned audits a slight slip over last year's performance. However, taking into account those completed to draft stage 90% of the plan has been completed, which is again lower than last year but in the target of 90% set. Taking into account adjustments notified to the audit committee, all but three planned audits were at least work-in-progress at the year-end. It is anticipated that the remaining audits will be completed shortly.

6.4. Table 2 above gives a year on year comparison of this year's outturn with the last two for actual completions and Table 3 provides a comparison for audits completed to draft stage.

6.5. Table 4 summarises the performance on other internal audit targets. The most significant change in performance is the number of audits issued within 15 days of the conclusion of the audit fieldwork. This showed a marginal improvement over last year and was slightly above the target of 90%. The response rate to client questionnaires has recovered this year and, where responses have been received, satisfaction levels have also improved. The number of final audit reports issued within five working days of the receipt of the management response declined but was within the target set. A new target of two days for issuing reports was set following last year's good performance and the achievement of 83% is close to the 85% set.

Table 4

| Other Targets | Target | 2010-11 | 2009-10 | 2008-9 |
|---|---------------|----------------|----------------|---------------|
| % of draft audits issued within 15 days of audit conclusion. | 90 | 92 | 90 | 79 |
| % of final reports issued within 5 days of receipt of management response | 85 | 87 | 96 | 94 |
| % of final reports issued in 2 days* or 5 for schools | 85 | 83 | - | - |
| % of client satisfaction surveys returned | 80 | 46 | 23 | 18 |
| % with good or very good rating | 90 | 86 | 74 | 93 |
| % when non returns assumed to be good | 90 | 95 | 94 | n/a |
| % of recommendations agreed by management | 95 | 99 | 99 | 98 |

*New target in 2010-11

7. Compliance with Standards

7.1. There is an annual requirement to carry out a review of the system of internal audit. For the last three years this has been carried out by

- A self assessment reviewed by a member of the audit committee (2007-8)
- A peer review by another Head of Audit.(2008-9)
- A self assessment by the Head of Audit (2009-10)

Following discussions with the Chairman and the Audit Committee it was felt that a committee review would be useful this year because it would serve both as a challenge and as a training event for Members. This took place on 3 May 2011 and the summary is included in this agenda as a separate paper. Overall we are compliant with the standards.

Internal Audit Progress Report

REASON FOR ITEM

This report provides the Audit Committee with a summary of Internal Audit (IA) activity in the period from 1 February 2011 to 3 June 2011. 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.

8. INFORMATION

8.1. 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.

9. Progress against Plan and Follow up Status

9.1. There are no significant causes for concern at this time with the levels of assurance being reported to the committee. Although eight audits, including 2 schools, received Limited Assurance in the current period, plans are in place to address the weaknesses identified and we will be closely monitoring implementation by management. All other audits had Satisfactory assurance, with three having Full Assurance.

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

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

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

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

On-line Payments Management Project – This audit would have started very late in the financial year. Two audits planned for 2011-12, Capita on-line Payments, one of Processes and one of security (IT) will encompass all elements of the On-line Payments Management Project. So the 2010-11 audit was dropped.

9.6. There were three audits planned for the last quarter of 2010/11 that could not be undertaken for the following reasons:-

Placements – This service was undergoing a radical change as part of the BID process and therefore an audit at this time would not add any value. The audit will be undertaken later in 2011/12 when the new arrangements have been established.

Economic Development – New protocols were being introduced which meant the audit would be more beneficial in early 2011/12. This audit is currently underway.

Home Care - Contract Provision – This audit was deferred until 2011/12 due to other audit involvement in this area.

These three audits will be undertaken using the contingency allocation in the 2011/12 plan.

9.7. No audits were added to the plan during the period.

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

9.9. Summaries of the outcomes of the audits completed in the period are provided below.

Audit Title: Records Management

Assurance level: Limited

A record is defined as being any information held by an organisation irrespective of the medium.

Records Management is the practice of maintaining the records of an organisation from the time they are created up to their disposal. This may include classifying, storing, securing, and destruction (or in some cases, archival preservation) of records.

LBH is bound under the Data Protection Act 1998 to safeguard information.

The objective of the audit was to ensure records management is efficient, effective and economical.

We were pleased to report risks are appropriately addressed in these areas:

- Clear retention and destruction policy in place.
- Procedures are in place outlining how to send/retrieve information to/from Oasis Records Management.
- LBH are registered with the Data Protection – Information Commissioners Officer.

Improvements are needed to address risks in the following areas:

| Control improvements required | Risk | Agreed Target Date |
|---|-------------|---------------------------|
| All elements of Records Management should be incorporated into an existing policy or a new centralised policy to ensure an effective records management culture is created throughout the council. | High | August 11 |
| Roles and responsibilities regarding Records Management should be clarified with someone having oversight of records management and within each directorate a day-to-day nominated lead in order to ensure compliance with legislation and avoid inconsistent practices being adopted. | High | August 11 |
| A review of information being stored at Oasis Records Management should be undertaken in order to ensure the council is not paying for retaining information that should have been destroyed in line with the council's retention and destruction policy and data protection legislation. | Medium | October 11 |
| Procedures to support the policy should be documented and placed on Horizon in order to prevent inconsistent practices occurring and breach of legislation. | Medium | October 11 |

Management Comments - The recommendations will be implemented as part of the scanning and document management work stream of the New Ways of Working Group.
AWAITING CONFIRMATION FROM AUDITEE

Audit Title: E-Invoicing System

Assurance level: Limited

The London Borough of Hillingdon uses the E-Invoicing system to manage the accounts payables function, including the processing of invoices and payment batches. It is an Oracle Financials module.

The main interface of E-invoicing is with the council's home care financial application ContrOCC for the import of electronic billing information for major home care providers.

The objective of the review was to ensure all processing carried out by the system is complete, accurate, timely and secure.

We were pleased to report risks are appropriately addressed in these areas:

- Password policy
- Identifying and disabling leavers
- Access management

Improvements are needed to address risks in the following areas:

| Control improvements required | Risk | Agreed Target Date |
|--|-------------|---------------------------|
| A trail restoration should be scheduled in 2011 to gain assurance on the ability to restore E-Invoicing successfully and to confirm that the issues identified in 2010 are now resolved. | High | October 2011 |
| Management needs to ensure that all batches that have been uploaded to E-Invoicing are recorded. Periodic reconciliation by staff without the responsibility for uploading invoices should be performed between the Recording Sheet and E-Invoicing system to ensure data integrity. | High | August 2011 |
| Management should review the existing group defined to ensure that they are aligned with the revised departmental structure to ensure there is no inappropriate access, negating the segregation of duties in the processing of invoices and payments. | Medium | October 2011 |
| Authorisations and audit trails for granting access to E-invoicing should be properly retained. | Medium | April 2011 |
| The use of generic administrator access should be avoided at both the oracle database and server levels. | Medium | April 2011 |
| The process defined in the Guidelines for Supplier Consolidated invoices should be revised in the areas of authorisations, budget monitoring and manual validations, to ensure inappropriate invoices are not uploaded and paid. | Medium | September 2011 |
| The council should investigate and resolve issues that cause the Data Protection Management system not to perform backs | Medium | June 2011 |

up in line with the schedule.

Overnight back up jobs that have failed or contain errors should be re-initiated as soon as practically possible before the schedule job.

The Head of Services should be notified on a periodic basis the backup status of the servers hosting E-Invoicing, where there are errors or missing back ups.

Management Comment - Management actions agreed and will be monitored to ensure delivery to timetable

Audit Title: Equipment and Adaptations

Assurance level: Limited

The equipment and adaptations service provide a range of daily living equipment such as grab rails, bath seats, walking frames and so on, to help people maintain independence in their own homes.

In some cases, where equipment is not enough to keep people independent, adaptations can be made to a person's home. One example might be the addition of ramps for wheelchair access.

The objective of the audit is to ensure the equipment and adaptations service within the borough is efficient, effective and economical.

We were pleased to report risks are appropriately addressed in these areas:

- There was a single point of access to the service via the Customer Contact Centre;
- Comprehensive assessments were carried out by Occupational Therapists;
- Complete and accurate loans register is in place;
- Authorisation was being received from the Operational Management Group for expenditure on equipment over £1500.

Improvements are needed to address risks in the following areas:

Control improvements required

Risk

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Target
Date**

| | | |
|---|--------|----------|
| Core operational processes should be documented to assist new starters and to ensure a consistent service is provided to service users. | High | March 11 |
| Target timescales should be put in place for authorising MA1 forms to ensure minor adaptations are carried out in a timely manner. | High | March 11 |
| Management information should be produced on overdue care assessment to ensure service users' needs are addressed in a timely manner. | Medium | March 11 |
| Processes should be put in place to ensure high value loaned equipment is returned by the service user so that LBH can recover a percentage of the costs. | Medium | July 11 |
| Back logs of (low and medium) assessments should be reduced. If needs are not met in a timely manner this may lead to higher needs later on. | Medium | March 11 |
| Where minor adaptations are undertaken by contractors', contract or framework agreements should be in place to ensure consistency of pricing and quality. | Medium | March 11 |

Management Comment: Management note the control improvements required as stated in this report and can confirm that the OT service and Service Manager for Specialist Services have commenced the improvements required and these will be completed within the timescales as detailed above.

Audit Title: Liquid Logic (Protocol System – Post Implementation)

Assurance level: Limited

A proposal (Business case) for the new Children's system (also Protocol) was approved by Cabinet on 17th April 2008. Liquid Logic was awarded the contract for the provision of the Councils Children's Case Management system. The document containing the Cabinet's Decision stated *"It is noted that Officers anticipate that Liquid Logic will be able to deliver similar benefits to Adult Social Care in 1-2 years time, the costs for which are included in this proposal"*.

The ASC Protocol system was procured in 2008 (much earlier than originally envisaged because the Carefirst system was no longer being supported.) and went live in April 2010.

The system was procured before the centralisation of the ICT Department and was therefore very much driven by the Adult Social Care Department, including evaluation and selection of the different options available. The central ICT Team were brought in after the selection phase to implement the architecture required. The ASC Department

had their own IT staff who provided advice to the earlier stages of the selection process and these staff have now been absorbed into the central ICT Department.

An audit of Protocol System (Adult Social Care) - Post Implementation Review was undertaken as part of the approved internal audit periodic plan for 2010/11.

We were pleased to report risks are appropriately addressed in these areas:

- Documented project management methodology providing the council with a strategic and systematic approach to managing and controlling projects.
- Allocation of Project Sponsor role to a Senior Manager within the organisation and formation of a Project Board made of Senior Managers.
- Production of monthly status reports.
- Training

Improvements are needed to address risks in the following areas:

| Control improvements required | Risk | Agreed Target Date |
|--|-------------|---------------------------|
| Management should ensure that a detailed business case is developed for each project within a programme going forwards to ensure success or failure of a project can be measured. | Medium | July 2011 |
| Management should maintain a Risk Log for each individual project going forwards to ensure risks are being managed during the whole life system of the project. | Medium | July 2011 |
| Management should maintain an Issue Log for each individual project going forwards to ensure any threats to the success of a project are identified and mitigating action is taken. | Medium | July 2011 |
| Status reports should be prepared for each individual project going forwards to ensure that the Project Sponsor and Board are provided with regular information. | Medium | July 2011 |
| Management should schedule a Post Completion Review with the following aims:- <ul style="list-style-type: none"> • Assess how well the project has performed against the deliverables set out in the Project Initiation Document; • Identify what went well and not so well and feed back lessons learned to inform future projects. | Medium | July 2011 |
| Management should review the resourcing of the ASC IS Modernisation Programme during the Post Implementation Review and document lessons learned to aid future projects. | Medium | July 2011 |

Management Comments - A paper to be prepared for Business Transformation Board in July endorsing the need for all projects to conform to the Council's project management methodology. In addition to recommending that all improvements identified in this report be implemented with immediate effect.

Audit Title: Creditors and Protocol Creditors

Assurance level: Limited

The council use's Oracle Accounts Payable system in order to pay it's suppliers, this has seven sub systems feeding into it, i.e. Housing Benefit, C/Tax , Statement; Tams; Spocc; e-invoices, Controcc.

The objective of the audit was to ensure that only valid, complete, accurate and timely payments are made and recorded. The Scope of the audit focused on the reconciliations being carried out between the feeder systems and Oracle.

We were pleased to report risks are appropriately addressed in these areas:

- Regular reconciliations carried out for Council Tax, Statement, Controcc, and Spocc.
- Procedures in place outlining how to carry out reconciliation for Controcc and NNDR Business Rates.

Improvements are needed to address risks in the following areas:

| Control improvements required | Risk | Agreed Target Date |
|---|-------------|---------------------------|
| The Oracle team should review access levels within the payments team and ensure segregation of duties in order to avoid potential fraud. | High | June 2011 |
| Procedures on how to carry out the feeder system reconciliation to oracle should be documented to ensure consistent practices. | High | October 2011 |
| Regular reconciliation of NNDR refunds, E-Invoices, Spocc, and Tams to the Oracle system should be carried out in order to account for all payments. | Medium | August 2011 |
| Systems should be enhanced so that the Payments Control Officers can physically view and check invoices before validating the payments in order to avoid errors, mistakes, potential fraud. | Medium | August 2011 |

Management Comments - The audit was carried out very soon after two payment teams were merged and procedures and controls had not been fully implemented.

Although we are disappointed in the Limited Assurance, we accept the findings and are fully committed to ensuring the recommendations are fully implemented within the specified timescales.

Audit Title: Court Costs

Assurance level: Limited

Court costs are those incurred in order to bring cases to court. Costs also include Lawyers' and Services' time spent on the case.

In cases where the Council wins, the Judge can decide whether to award costs to the Council in addition to any fine that is paid to the courts.

For costs awarded at the County Court, the defendant pays the Council directly. For costs awarded at the Magistrates' Court, costs are paid to the court, which then sends the Council a monthly composite cheque.

The objective of the audit was to ascertain whether awarded court costs were being recovered effectively, efficiently and economically.

Improvements are needed to address risks in the following areas:

| Control improvements required | Risk | Agreed Target Date |
|---|-------------|---------------------------|
| Roles and responsibilities should be formally defined and distributed to avoid duplication or omission of tasks. | High | July 2011 |
| The case management system Axxia should be enhanced to include the recording of costs awarded and received. Otherwise there is no means of extracting information or producing reports on the current recovery status of awarded costs. | High | July 2011 |
| Management information should be produced in order to effectively monitor the difference between awarded costs and sums actually received. | High | July 2011 |
| Procedural guidance should be produced for other services explaining how to record non-legal costs that may be recoverable, otherwise the council may not maximise recoverable costs awarded. | Medium | July 2011 |

Management Comments - Legal service have already implemented two of the recommendations and made significant progress with the implementation of the others.

Audit Title: Compliance with Driving Policy- Council Vehicles

Assurance level: Satisfactory

The Compliance with Driving Policy applies to all Council employees who drive council vehicles during their working day as part of their set duties, or to travel between locations. It also applies to both agency and permanent staff.

The policy has recently been amalgamated with the Compliance with Driving Policy for employees who drive their own vehicles as part of their duties, and is due to be published.

The objective of the audit was to assess the adequacy of controls in place to ensure compliance with the driving policy.

We were pleased to report risks are appropriately addressed in these areas:

- All fleet vehicles specified on the Operators Licence are checked every 6 weeks
- UK Driver cards are monitored on a regular basis
- Accidents are all recorded and all correspondence kept in file

Improvements are needed to address risks in the following areas:

| Control improvements required | Risk | Agreed Target Date |
|--|-------------|---------------------------|
| The Transport Manager should ensure that where reminders are issued, the relevant manager confirms that they have carried out the necessary checks on the licences. Where confirmation is not received, the Transport Manager should chase managers to ensure all drivers licenses are valid and not void. | High | June 2011 |
| The Depot Manager should check that managers have signed any Accident Reports. Where a report has not been signed, the Depot Manager should send a copy to the relevant Service manager for information this is simply to ensure that all managers are aware of any accidents their staff have been involved in. | High | June 2011 |

Audit Title: Overpayments

Assurance level: Satisfactory

Overpayments occur; when schools (who use London Borough of Hillingdon as their payroll provider) do not report a change in circumstances in a timely manner, incorrect information is provided, there is a delay in processing a change of circumstances or errors are made by Schools Personnel, Corporate HR or Payroll.

Between April 2009 and September 2010, 88 school employees were overpaid a total sum of £81,964.19.

The objective of the audit was to ensure the process for recovering overpayments, is efficient, effective and economical.

We were pleased to report risks are appropriately addressed in these areas:

- Policy for recovering overpayments
- Monitoring and recovering overpayments from members of staff who are currently employed by schools.

Improvements are needed to address risks in the following areas:

| Control improvements required | Risk | Agreed Target Date |
|---|-------------|---------------------------|
| Updating the "Personnel Services to School's Handbook" to include details of when to notify a change in staff circumstances to Schools' Personnel. This will minimise overpayments resulting from late notification by schools. | High | June 2011 |
| Schools Personnel need to put in place a "turnaround time" for processing change of circumstances correspondence received from schools. This will help to reduce the amount of overpayments by reducing the number of days as overpayments accrue on a daily basis. | Medium | June 2011 |

Audit Title: General Ledger

Assurance level: Satisfactory

We were pleased to report risks are appropriately addressed in these areas:

- Monitoring of reconciliations;
- Responsibilities for preparing reconciliations
- Authorising and documenting journals
- Changes to the chart of accounts.

Improvements are needed to address risks in the following areas:

Control improvements required

Reconciling items should be promptly investigated and cleared within one month of its appearing on the reconciliation statement. This will give a true and fair view of the account balances.

Risk

Medium

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Respective line managers should sign and date the reconciliation statement as evidence of supervisory approval. This will prevent unauthorised transactions and detect errors.

Medium

August 2011

Audit Title: Safeguarding Adults**Assurance level:** Satisfactory

Safeguarding vulnerable adults is a lead responsibility for Local Authorities and one that has developed quickly, particularly in the last ten years as people have become more aware of vulnerable adults experiencing harm in institutions, in their own homes and in the community.

Government guidance in the form of the "No Secrets" document issued in 2000 set out the responsibilities Local Authorities have in developing and implementing multi agency policies and procedures to protect vulnerable adults.

The objective of the audit was to ensure that the process and procedural arrangements for adult safeguarding in terms of the recording of referrals, care management and review are robust, and are rigorously, accurately and consistently applied.

We were pleased to report risks are appropriately addressed in these areas:

- Existence of policies, protocols, plans, codes and procedures exist.
- The purpose and objectives of the Safeguarding Adults Service have been clearly defined and agreed.
- Staff training.
- Criminal vetting of staff.
- Case management.
- Partnership, agencies and inter service working.
- Performance management.
- Security of client information.
- Complaints process.
- Production of statutory returns.
- Staff health and safety risks.

- Recording computer data base system security.
- Disaster recovery
- Business continuity.

Improvements are needed to address risks in the following areas:

| Control improvements required | Risk | Agreed Target Date |
|---|-------------|---------------------------|
| Client risk assessments should be recorded on Protocol so that there is a complete history of risk assessments in one place. Otherwise risk assessment outcomes could be missed / not appropriately recorded which could lead to incorrect client risk assessments applying at any given time and/or putting clients at possible risk. | Medium | October 2011 |
| As part of regular one to one meetings, the updating of staff actions on Protocol should be checked for promptness and any unnecessary delays should be discussed and recorded as part of the officer's performance management monitoring. Recording actions promptly is important to ensure information is up to date otherwise a client's care may be adversely affected. | Medium | Immediate May 2011 |
| A range of exception reports should be developed and produced for regular review and action by management. Without management reports. it would be difficult to identify poor or incomplete recording of actions which could have a detrimental affect on client care. | Medium | June 2011 |

Audit Title: Risk Management

Assurance level: Satisfactory

The overall objective of the audit was to ensure that risk management processes effectively identify, evaluate, record, rank and mitigate risks. Separate audits were undertaken for each group as they existed prior to the restructuring at the end of 2010/11 and the findings were incorporated into one report.

We were pleased to note that:

- A risk management strategy and written processes were adequately defined and accessible via Horizon.
- Risks had been appropriately identified by groups.
- There was appropriate and consistent risk recording, assisted by standardised input via the EXCELSIS performance management software.
- Risks added to, and retired from group risk registers are appropriately authorised.

- Due consideration is given to the promotion of risks to the Corporate Risk Register.
- Roles and responsibilities are clearly defined and there were designated “risk officers” in each group.
- Group Senior Management Teams regularly reviewed their risks.

Improvements are needed to address risks in the following areas:

| Control improvements required | Risk | Agreed Target Date |
|--|-------------|---------------------------|
| Information to support why a risk rating changes should be recorded otherwise there is no audit trail as to how the risk ranking was assessed. | Medium | July 2011 |
| Risk management information on Horizon should be regularly reviewed to ensure it remains fit for purpose otherwise reference to incorrect information could result in incorrect actions. | Medium | Sept 2011 |
| The completion of the electronic risk management training module should be mandatory for all new senior officers as part of their induction, to ensure that they are conversant with risk management arrangements in their work, otherwise ignorance or misunderstanding of risk concepts may result in incorrect actions. | Medium | July 2011 |
| The format of risk information presented to SMT's should be reviewed and a best practice format introduced, otherwise there may not be a common and consistent approach, which could result in risks not being adequately reviewed. | Medium | June 2011 |

Audit Title: Section 251 (formally 52) Statement

Assurance level: Full

At the beginning of each financial year, local authorities are required, under section 251 of the Apprenticeships, Skills, Children and Learning Act 2009 to prepare an annual budget statement. This is a way of informing schools and the public about their funding plans. The statement is produced in a form which allows benchmarking by schools forums and local authorities.

At the year end, local authorities are also required to publish an outturn statement for that year. The format and content of the tables are prescribed by the Education (Budget Statements) (England) Regulations 2007.

The objective of the audit was to ensure that the Council abides by requirements under section 251 of the Apprenticeships, Skills, Children and Learning Act 2009 and the requirements are delivered in an efficient, effective manner.

From 2010/2011 the document has been renamed as the Section 251 Budget Statement.

We were pleased to report risks are appropriately addressed in these areas:

- Budget Statement preparation
- Outturn Statement accuracy

Improvements are needed to address risks in the following areas:

| Control improvements required | Risk | Agreed Target Date |
|---|-------------|---------------------------|
| Internal checking of the Budget and Outturn Statements should be evidenced in writing in order to confirm management checking and approval. | Medium | April 2011 |

Audit Title: Debtors

Assurance level: Full Assurance

The Corporate Income Team are responsible for monitoring and recovering all invoiced income other than Social Services, Council tax, National Non-domestic Rates (NNDR), Housing rents and leasehold charges, Housing benefit overpayments.

A new debtors system "Oracle Accounts Receivable" was implemented on the 25th October 2010.

The audit objective was to ensure the data transferred into Oracle Accounts Receivable was complete, accurate and timely.

We were pleased to report risks are appropriately addressed in these areas:

- Clear audit trail existed in order to verify that data from Sundry Debtors was transferred accurately into the Oracle Accounts Receivable system.
- Snapshot/backup taken of the system before transfer began.
- Access levels changed to read only for all users of the Sundry Debtors system.

Audit Title: Housing and Council Tax Benefits

Assurance level: Full

We were pleased to report risks are appropriately addressed in these areas:

- Established policies and procedures that comply with Department for Works and Pensions regulations and guidance.
- Manuals, procedures, policies and circulars are regularly updated and reviewed.
- Adequate documentary evidence to support processes.
- Financial records are promptly updated with relevant transactions.
- Training.
- Data quality and accuracy check.

Building Control – A review of key processes within Building Control was undertaken and the outcomes have been reported so that they can be used as input into the service’s BID process.

Self Directed Support (SDS) – We attended the Transformation Board meetings in an advisory capacity from September 2009 until the Board was dissolved in October 2010. The project did not develop to a stage where an audit would have been productive, so audit input related to reviewing the initial stages of the Reablement programme and the SDS Resource Allocation System (RAS). No major concerns were found.

Hayes and Harlington Community Association - Following questions at council where a reduction in rent additional to the usual charitable status was requested, Internal Audit were asked to examine the accounts of this organisation, particularly whether the high levels of cash balances was available for general use. We concluded that they were and reported this to inform Members decisionmaking.

Schools’ Audits

The table below summarises the school audits finalised in the period.

| 2010/11 | Assurance Level |
|--------------------------|-----------------|
| Schools - Primary | |
| Guru Nanak Primary | Limited |
| Newnham Infants | Limited |
| Grange Park Junior | Satisfactory |
| Harefield Junior | Satisfactory |
| Laurel Lane Primary | Satisfactory |
| Whiteheath Junior | Satisfactory |
| Warrender Primary | Satisfactory |
| Oak Farm Junior | Satisfactory |
| Heathrow Primary | Full |
| Lady Bankes Infant | Full |

10. Follow up audits

10.1. We continue to make progress in following up and clearing action points from previous audits. We have also started to follow up on the Hillingdon Homes recommendations that were carried out by Mazars and the outcomes will be reported to the next Audit Committee.

10.2. The table below shows the results of follow ups for general audits and school audits. Implementation rates on follow ups have increased from 73% to 79% in this period.

| Audit Title | DATE ISSUED | | | | IMPLEMENTED | | | NOT IMPLEMENTED | | | REVISED TARGET DATE |
|--------------------------------|-------------|------|--------|-----|-------------|--------|-----|-----------------|--------|-----|---------------------|
| | | HIGH | MEDIUM | LOW | HIGH | MEDIUM | LOW | HIGH | MEDIUM | LOW | |
| IT Disaster Recovery 1st f-up | Apr-10 | 1 | 3 | 0 | 0 | 0 | 0 | 1 | 3 | 0 | Sep-11 |
| Northgate Application Review | Mar 09 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | N/A |
| Youth Offending Team | Aug-10 | 0 | 4 | 0 | 0 | 4 | 0 | 0 | 0 | 0 | N/A |
| Axxia (2nd f-up) | Apr-10 | 0 | 1 | 5 | 0 | 1 | 5 | 0 | 0 | 0 | N/A |
| Asylum Accommodation (2nd FUp) | Apr-10 | 2 | 8 | 1 | 2 | 5 | 1 | 0 | 3 | 0 | Oct-11 |
| PSRG & DFG (2nd FUp) | Sep-10 | 3 | 4 | 2 | 2 | 4 | 2 | 1 | 0 | 0 | Nov-11 |
| Payroll (2nd) | Aug-10 | 4 | 2 | 1 | 4 | 2 | 1 | 0 | 0 | 0 | N/A |
| Estates and Valuations | Jul-10 | 1 | 5 | 2 | 1 | 5 | 2 | 0 | 0 | 0 | N/A |
| Physical and Environmental | Mar-09 | 0 | 2 | 5 | 0 | 2 | 5 | 0 | 0 | 0 | N/A |
| Children's Centres (1st f-up) | Dec-10 | 1 | 0 | 3 | 1 | 0 | 3 | 0 | 0 | 0 | N/A |
| Mental Health (2nd) | Jun-10 | 0 | 8 | 0 | 0 | 7 | 0 | 0 | 1 | 0 | Aug-11 |
| Parking Permits (1st f-up) | Oct-10 | 1 | 4 | 1 | 1 | 2 | 1 | 0 | 2 | 0 | Sep-11 |
| Nursery Education | Jul-10 | 9 | 8 | 1 | 9 | 8 | 1 | 0 | 0 | 0 | N/A |
| Flexi | Jul-10 | 6 | 0 | 0 | 6 | 0 | 0 | 0 | 0 | 0 | N/A |
| FOI/Data Protection (2nd F/up) | Jun-10 | 1 | 4 | 1 | 1 | 2 | 0 | 0 | 2 | 1 | Jun-11 |
| Higher Mileage | Nov-10 | 2 | 2 | 1 | 2 | 2 | 1 | 0 | 0 | 0 | N/A |
| Equipment and Adaptations | Jun-10 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | N/A |

| Audit Title | DATE ISSUED | | | | IMPLEMENTED | | | NOT IMPLEMENTED | | | REVISED TARGET DATE |
|---|-------------|------|--------|-----|-------------|--------|-----|-----------------|--------|-----|---------------------|
| | | HIGH | MEDIUM | LOW | HIGH | MEDIUM | LOW | HIGH | MEDIUM | LOW | |
| Major Planning Applications (3rd f/up). | Apr-10 | 2 | 2 | 1 | 2 | 2 | 1 | 0 | 0 | 0 | N/A |
| Budgetary Control (2nd f/up) | Mar-10 | 0 | 6 | 2 | 0 | 3 | | 0 | 3 | 2 | Sep-11 |
| Culture and Arts (1st f/up) | May-10 | 4 | 3 | 0 | 1 | 2 | | 3 | 1 | 0 | Jul-11 |
| ICT Helpdesk Review (2nd f-up) | Mar-09 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | Aug-11 |
| Utilities - Gas and electricity | Mar-10 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 1 | Jul-11 |
| MCP - Current Contracts | May-11 | 3 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | N/A |
| Blue Badge | Nov-10 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | N/A |
| LGPS - Governance (1st f/up) | Sep-10 | 0 | 5 | 1 | 0 | 3 | 1 | 0 | 2 | 0 | Dec-11 |
| Section 52 (251) (1st f/up) | Feb-11 | 0 | 1 | 1 | 0 | 0 | 1 | 0 | 1 | 0 | Jun-11 |
| Domestic Waste - Civic Amenity Sites (2nd f/up) | Jun-10 | 4 | 5 | 3 | 4 | 4 | 3 | 0 | 1 | 0 | Dec-11 |
| Commercial Properties | Sep-08 | 0 | 2 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | N/A |
| Private Sector Leasing | Jun-10 | 1 | 2 | 0 | 0 | 2 | 0 | 1 | 0 | 0 | Jul-11 |
| Ruislip High (2 nd f/up) | Mar 10 | 1 | 2 | 0 | 0 | 0 | 0 | 1 | 2 | 0 | Dec 11 |
| Street Cleansing | Nov-10 | 2 | 2 | 0 | 1 | 0 | 0 | 1 | 2 | 0 | Sep-11 |
| Pension Administration | Jan-09 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | N/A |
| Performance Management | Mar-10 | 0 | 2 | 2 | 0 | 1 | 2 | 0 | 1 | 0 | Dec-11 |
| Dr Triplett's | Sep 10 | 3 | 7 | 1 | 2 | 7 | 1 | 1 | 0 | 0 | Jul 11 |
| Debt Recovery Processes | May 10 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 3 | 0 | Sep-11 |
| Minet Junior | Dec 10 | 5 | 2 | 2 | 5 | 2 | 2 | 0 | 0 | 0 | N/A |
| Oak Farm Infants | Sep 10 | 2 | 4 | 2 | 2 | 4 | 2 | 0 | 0 | 0 | N/A |
| Highways Planned Maintenance (2 nd f/up) | Jan 10 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 3 | 0 | Mar 12 |

| Audit Title | DATE ISSUED | HIGH | MEDIUM | LOW | | IMPLEMENTED | IMPLEMENTED | IMPLEMENTED | | NOT | NOT | NOT | REVISED TARGET DATE |
|--|-------------|-----------|------------|-----------|--|-------------|-------------|-------------|--|------------------|--------------------|-----------------|---------------------|
| | | | | | | HIGH | MEDIUM | LOW | | IMPLEMENTED HIGH | IMPLEMENTED MEDIUM | IMPLEMENTED LOW | |
| Glebe Primary | Jul 10 | 1 | 5 | 0 | | 0 | 5 | 0 | | 1 | 0 | 0 | Mar 12 |
| Grounds Maintenance (2 nd f/up) | Feb 10 | 0 | 1 | 0 | | 0 | 0 | 0 | | 0 | 1 | 0 | Jul 11 |
| Harefield Infants | Oct 10 | 1 | 0 | 0 | | 1 | 0 | 0 | | 0 | 0 | 0 | N/A |
| Temporary Accommodation | Aug-10 | 1 | 2 | | | 0 | 2 | 0 | | 1 | 0 | 0 | Sep-11 |
| Stray Dog Service | Sep-10 | 2 | 7 | 2 | | 2 | 6 | 2 | | 0 | 1 | 0 | Sep-11 |
| | | 64 | 125 | 42 | | 53 | 91 | 38 | | 11 | 34 | 4 | |
| % Implemented by Risk | | | | | | 83 % | 73% | 90 % | | | | | |
| Overall % Implemented | | | | | | | | | | 79% | | | |
| Overall % Not Implemented | | | | | | | | | | 23% | | | |

10.3. 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 |
|---|------------------------------------|---------------------|--|
| Ocella | 1 | Apr 2011 | Follow up in progress |
| Carefirst Debtors- 2009/10 Review | 1 | Mar 2011 | Follow up in progress |
| Environmental Services Application (M3) 09/10 | 3 | Apr 2011 | Includes 1 Low - Follow up in progress |
| Remote Access(ICT) | 2 | Jun 2011 | |
| Hillingdon Grid for Learning | 1 | May 2011 | Follow up in progress |
| Business Continuity Management & Civil | 3 | May 2011 | Follow up in |

| Audit Title | No. of Outstanding Recommendations | Revised Target Date | Comment |
|--|---|----------------------------|--|
| Emergency | | | progress |
| Data Security and Transfer | 1 | Feb 2011 | Follow up in progress |
| Debt Recovery Processes - 2009/10 Review | 3 | Sep 2011 | |
| Subsistence | 2 | Sep 2011 | |
| Wood End Park | 1 | Mar 2011 | Follow up in progress |
| Barnhill Community High | 1 | Mar 2011 | Follow up in progress |
| Utilities Gas and Electricity | 2 | Jul 2011 | Includes 1 Low |
| Budgetary Control | 5 | Sep 2011 | Includes 2 Low |
| Primary Sickness Scheme | 2 | Jul 2011 | Includes 1 Low – Follow up in progress |
| Private Sector Leasing 07/08 | 1 | Jul 2011 | |
| ICT Helpdesk Review | 1 | Aug 2011 | |
| ICT - Business Continuity Management | 2 | May 2011 | Follow up in progress |
| Securicor | 1 | Apr 2011 | Follow up in progress |
| Email Security and Management | 1 | Aug 2011 | |
| Domestic Waste - Civic Amenity sites | 1 | Dec 2011 | |
| Highways – Planned Maintenance | 3 | Mar 2012 | |
| HR Payroll Changes & Trigger Dates | 3 | May 2011 | Follow up in progress |
| Performance Management | 1 | Dec 2011 | |
| Ruislip High Secondary School | 3 | Dec 2011 | |
| Cherry Lane Primary | 1 | May 2011 | Follow up in progress |
| Stray Dogs | 1 | Sep 2011 | |
| Asylum Accommodation | 3 | Oct 2011 | |
| Freedom of Information/Data Protection | 3 | Jun 2011 | Includes 1 Low |
| ICT Disposals | 3 | Mar 2011 | Includes 1 Low - Follow up in progress |

| Audit Title | No. of Outstanding Recommendations | Revised Target Date | Comment |
|--|---|----------------------------|-----------------------|
| Private Sector Renewal Grants & Disabled Facilities Grants | 1 | Nov 2011 | |
| Dr Triplett's Glebe Primary Grounds Maintenance | 1 | Jul 2011 | |
| Highways Reactive Maintenance | 1 | May 2012 | |
| ICT Disaster Recovery | 1 | Jul 2011 | |
| Mental Health | 3 | May & Jul 2011 | Follow up in progress |
| Parking Permits | 4 | Sep 11 | |
| Culture & Arts | 1 | Aug 2011 | |
| Local Government Pension Scheme Governance | 2 | Sep 2011 | |
| Section 52 (now 251) | 4 | Jul 2011 | |
| Street Cleansing | 2 | Dec 11 | |
| Temporary Accommodation | 1 | Jun 11 | |
| | 3 | Sep 11 | |
| | 1 | Sep 11 | |

11. Advice Guidance and Consultancy

Management continue to request ad hoc advice from us on operational issues within their service .

12. Anti Fraud Work

12.1. We completed three anti-fraud audits during the period. Summaries of their outcomes are detailed below:

Agency and Consultancy Staff

We reviewed a sample of payments for Agency and Consultancy staff to ascertain whether the new process for authorising their employment had been followed since its introduction in April 2010. We found some weaknesses regarding agency/consultancy staff who were employed prior to the new authorisation process and management are to address these.

Creditors

Using our Interactive Data Extraction and Analysis software, we analysed creditor data to identify any cases of possible conflict. None were identified.

Increases in Pay Rate – We checked a sample of staff who had received pay rate increases in 10/11 to confirm that documentation existed as evidence that the pay rate

increase was had been properly authorised. All changes had been authorised correctly and had sufficient documentation relating to them.

Fraud Awareness

12.2. A further Fraud Awareness Bitesize session was presented to new managers in March 2011 and these will continue throughout 2011/12.

12.3. The new e-Learning Pool module on Fraud that was due to be in place from April 2011 has been delayed but it is envisaged that this will be accessible to all staff by August 2011.

National Fraud Initiative (NFI)

12.4. The data match reports from the NFI are being investigated by directorates and we are monitoring progress on the investigations to ensure that they are being investigated promptly and properly.

Other work

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

12.6. The outcomes of the confidential investigations completed are in Part 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 |
| CROSS CUTTING CORPORATE ISSUES | | | | | | | |
| Anti Fraud and Investigation | | | | | | | |
| Taxes Management Act | No Returns Requested | | | | | | |
| National Fraud Initiative (NFI) | 2010/11 Closed | | | | | | |
| Anti Fraud Promotion | 2010/11 Closed | | | | | | |
| Fraud/Irregularity Investigations | 2010/11 Closed | See below | | | | | |
| Planned proactive (to be determined) | 2010/11 Closed | | | | | | |
| - Pensioners Abroad - Life Certificates | Finalised | 19/5/10 | Satisfactory | Oct 10 – Revised date Sep 2011 | 0 | 0 | 0 |
| - Subsistence | Finalised | 6/7/10 | Satisfactory | Oct 10 | 2 | 0 | 0 |
| - Council Tax Student Exemptions | Finalised | 15/6/10 | Full | | 0 | 0 | 0 |
| - Agency/Consultancy Staff | Finalised | 2/3/11 | Satisfactory | | 0 | 0 | 0 |
| - Pooled Car Usage | Finalised | 19/11/10 | Satisfactory | | 0 | 0 | 0 |
| - VDA Cancellations | Finalised | 15/09/10 | Satisfactory | | 0 | 0 | 0 |
| - Increases in Pay Rate | Finalised | 3/6/11 | Satisfactory | | 0 | 0 | 0 |
| - Overtime | Completed | | Satisfactory | | 0 | 0 | 0 |
| - Creditors | Completed | | Satisfactory | | 0 | 0 | 0 |
| | | | | | | | |
| Other Cross-Cutting | | | | | | | |
| Annual Governance Statement - Audit | Completed | | Satisfactory | | 0 | 0 | 0 |
| Annual Governance Statement - Input | 2010/11 Closed | | | | | | |
| Advice and Information (Ad hoc) | 2010/11 Closed | | | | | | |
| Consultancy Advice - Specific Projects | 2010/11 Closed | | | | | | |
| Carbon Reduction Strategy | Deleted | | | | | | |
| IT Policy Compliance | In progress | | | | | | |
| Records Management | Finalised | 01/06/2011 | Limited | | 2 | 3 | 3 |

| Internal Audit Plan 2010-11 Progress | | | | | | | |
|---|----------------|----------------|-----------------|---|---------------------------------------|---|---|
| Audit Title | Status | Date Finalised | Assurance Level | Date of Last Follow Up | Number of outstanding recommendations | | |
| Healthy Hillingdon | Deleted | | | | | | |
| Compliance with Driving Policy | Finalised | 03/06/2011 | Satisfactory | | 2 | 0 | 1 |
| Risk Management – Corporate Issues arising from individual Directorate audits | Finalised | 03/06/2011 | Satisfactory | | 0 | 4 | 2 |
| | | | | | | | |
| Misc Audit Tasks | | | | | | | |
| Follow ups | 2010/11 Closed | | | | | | |
| Brought forward Audits | Completed | | | | | | |
| | | | | | | | |
| FINANCE & RESOURCES | | | | | | | |
| Risk Management | Finalised | 04/05/11 | Full | See Corporate report under Cross Cutting Issues | | | |
| Payroll - Starter & Leaver testing | Finalised | 16/12/10 | Full | | 0 | 0 | 0 |
| Debtors | Finalised | 18/02/11 | Full | | 0 | 0 | 0 |
| Debtors - ASC Protocol | Draft issued | | | | | | |
| CT/NNDR - Contractor visit | Completed | | | | | | |
| CT/NNDR - System | Draft issued | | | | | | |
| LG Pension Scheme - Governance | Finalised | 30/09/10 | Satisfactory | May 2011 – revised date Dec 2011 | 0 | 2 | 0 |
| Online Payment Management Project | Deleted | | | | | | |
| Creditors | Finalised | 03/06/11 | Limited | | 2 | 5 | 0 |
| Creditors – Protocol (encompassed in overall Creditors report) | Finalised | | | | | | |
| General Ledger | Finalised | 31/05/11 | Satisfactory | | 0 | 2 | 1 |
| Blue Badges | Finalised | 9/11/10 | No Assurance | May 2011 | 0 | 0 | 0 |
| | | | | | | | |

| Internal Audit Plan 2010-11 Progress | | | | | | | |
|--|---------------------|----------------|-----------------|--|---------------------------------------|---|---|
| Audit Title | Status | Date Finalised | Assurance Level | Date of Last Follow Up | Number of outstanding recommendations | | |
| DCEO | | | | | | | |
| Risk Management | Finalised | 13/05/11 | Full | See Corporate report under Cross Cutting Issues | | | |
| Performance Reward Grant (LAA) | Completed | | | | 0 | 0 | 0 |
| Economic Development | Deferred to 2011/12 | | | | | | |
| Grants to Voluntary Organisations | Finalised | 9/6/10 | Satisfactory | Dec 2010 | 0 | 0 | 0 |
| Learning & Development | Draft issued | | | | | | |
| Establishment Control and Authorisation | Draft issued | | | | | | |
| EDUCATION & CHILDREN'S SERVICES | | | | | | | |
| Risk Management | Finalised | 04/05/11 | Full | See Corporate report under Cross Cutting Issues | | | |
| Schools - Primary | | | | | | | |
| Cowley St Laurence | Finalised | 21/5/10 | Satisfactory | Jan 2011 | 0 | 0 | 0 |
| Harefield Infants | Finalised | 18/10/10 | Satisfactory | May 2011 | 0 | 0 | 0 |
| Cherry Lane Primary | Finalised | 02/09/10 | Limited | Jan 2011 – revised date May 2011 – Follow up in progress | 1 | 0 | 0 |
| Glebe Primary | Finalised | 19/7/10 | Satisfactory | May 2011 - revised date May 2012 | 1 | 0 | 0 |
| Coteford Infants | Finalised | 26/6/10 | Satisfactory | Jan 2011 | 0 | 0 | 0 |

| Internal Audit Plan 2010-11 Progress | | | | | | | |
|--------------------------------------|-----------|----------------|-----------------|----------------------------------|---------------------------------------|---|---|
| Audit Title | Status | Date Finalised | Assurance Level | Date of Last Follow Up | Number of outstanding recommendations | | |
| Botwell House | Finalised | 03/09/10 | Satisfactory | Follow up in progress | 2 | 1 | 0 |
| Breakspear Junior | Finalised | 17/09/10 | Full | | 0 | 0 | 0 |
| Dr Triplets CE | Finalised | 16/09/10 | Satisfactory | May 2011 - revised date Jul 2011 | 1 | 0 | 0 |
| Field End Infants | Finalised | 28/09/10 | Satisfactory | Follow up in progress | 1 | 1 | 1 |
| St Catherine's RC Primary | Finalised | 07/10/10 | Satisfactory | Follow up in progress | 1 | 6 | 1 |
| Oak Farm Infants | Finalised | 30/09/10 | Satisfactory | May 2011 | 0 | 0 | 0 |
| Highfield Primary | Finalised | 12/11/10 | Satisfactory | Follow up in progress | 1 | 2 | 1 |
| Rabbsfarm Primary | Finalised | 11/10/10 | Satisfactory | Follow up in progress | 2 | 5 | 2 |
| West Drayton Primary | Finalised | 26/01/2011 | Satisfactory | | 3 | 6 | 1 |
| Guru Nanak Sikh Primary | Finalised | 27/04/2011 | Limited | | 4 | 4 | 1 |
| Lady Bankes Junior | Finalised | 26/01/2011 | Satisfactory | | 1 | 5 | 2 |
| St Andrew's CE Primary | Finalised | 02/12/10 | Satisfactory | Follow up in progress | 2 | 2 | 0 |
| Brookside Primary | Finalised | 20/01/11 | Satisfactory | | 2 | 4 | 1 |
| Warrender Primary | Finalised | 30/03/2011 | Satisfactory | | 3 | 3 | 0 |
| Harefield Junior | Finalised | 16/03/2011 | Satisfactory | | 2 | 1 | 1 |
| Laural Lane Primary | Finalised | 15/03/2011 | Satisfactory | | 3 | 4 | 3 |
| Whiteheath Junior | Finalised | 10/02/2011 | Satisfactory | | 1 | 1 | 1 |
| Heathrow Primary | Finalised | 17/02/2011 | Full | | 0 | 0 | 0 |
| Lady Bankes Infants | Finalised | 17/05/2011 | Full | | 0 | 1 | 1 |
| Minet Junior School | Finalised | 9/12/2010 | Limited | March 2011 | 0 | 0 | 0 |
| Oak Farm Junior | Finalised | 11/05/2011 | Satisfactory | | 0 | 2 | 2 |
| Newnham Infants | Finalised | 03/03/2011 | Limited | | 5 | 5 | 1 |

| Internal Audit Plan 2010-11 Progress | | | | | | | |
|---|----------------------|-----------------------|------------------------|----------------------------------|--|-----|-----|
| Audit Title | Status | Date Finalised | Assurance Level | Date of Last Follow Up | Number of outstanding recommendations | | |
| Grange Park Junior | Finalised | 18/05/2011 | Satisfactory | | 1 | 5 | 2 |
| Sacred Heart RC | Finalised | 27/04/2011 | Full | | 0 | 1 | 1 |
| Belmore Primary | Deleted | N/A | N/A | N/A | N/A | N/A | N/A |
| Charville Primary | Deleted | N/A | N/A | N/A | N/A | N/A | N/A |
| Field End Junior | Deleted | N/A | N/A | N/A | N/A | N/A | N/A |
| Harlyn Primary | Deleted | N/A | N/A | N/A | N/A | N/A | N/A |
| Hillside Junior | Deleted | N/A | N/A | N/A | N/A | N/A | N/A |
| Wood End Park Primary | Deleted | N/A | N/A | N/A | N/A | N/A | N/A |
| Secondary | | | | | | | |
| Swakeleys | Finalised | 18/6/10 | Satisfactory | Academy from 01/04/2011 | 0 | 0 | 0 |
| Special | | | | | | | |
| Chantry School | Finalised | 11/11/10 | No Assurance | Implementation dates Sept 2011 | 17 | 11 | 0 |
| Grangewood School | Finalised | 18/10/10 | Satisfactory | | 3 | 2 | 2 |
| | | | | | | | |
| Other School Related | | | | | | | |
| FMSIS Certification | Deleted | N/A | N/A | N/A | N/A | N/A | N/A |
| School Liaison/Newsletter/briefings | 2010/11 Closed | | | | | | |
| BS21 | No longer applicable | N/A | N/A | N/A | N/A | N/A | N/A |
| Pupil Transport | Deferred to 11/12 | N/A | N/A | N/A | N/A | N/A | N/A |
| Education - Looked After Children | Draft issued | | | | | | |
| Section 52 | Finalised | 14/02/11 | Full | May 2011 – revised date Jun 2011 | 0 | 1 | 0 |
| Overpayments | Finalised | 21/03/2011 | Satisfactory | | 1 | 4 | 1 |
| | | | | | | | |
| | | | | | | | |

| Internal Audit Plan 2010-11 Progress | | | | | | | |
|--|-----------------------|----------------|-----------------|---|---------------------------------------|-----|-----|
| Audit Title | Status | Date Finalised | Assurance Level | Date of Last Follow Up | Number of outstanding recommendations | | |
| CHILDREN'S SERVICES | | | | | | | |
| Contact Point | Completed | N/A | N/A | N/A | N/A | N/A | N/A |
| Child Protection and Reviewing (Safeguarding Children) | Draft issued | | | | | | |
| Referral and Assessments | Draft issued | | | | | | |
| Placements | Deferred to next year | | | | | | |
| Research and Statistics | Finalised | 03/09/10 | Full | Jan 2011 | 0 | 0 | 0 |
| Target Youth Support | Draft issued | | | | | | |
| Children's Centre's | Finalised | 16/12/2010 | Satisfactory | April 2011 | 0 | 0 | 0 |
| Children's Centre's – McMillan Early Childhood Centre | Finalised | 16/12/2010 | Satisfactory | | 1 | 3 | 0 |
| Extended Schools | Finalised | 30/11/2010 | Satisfactory | | 1 | 5 | 1 |
| EMAS | Discontinued | N/A | N/A | | | | |
| Youth Offending Service | Finalised | 6/8/10 | Full | February 2011 | 0 | 0 | 0 |
| ADULT SOCIAL CARE HEALTH & HOUSING | | | | | | | |
| Risk Management | Finalised | 03/06/11 | Satisfactory | See Corporate report under Cross Cutting Issues | | | |
| Community Transport | Deleted | | | | | | |
| Equipment and Adaptations (All client groups) | Finalised | 14/03/11 | Limited | | 2 | 7 | 1 |
| Financial Assessments | Draft issued | | | | | | |
| Self Directed Support | Completed | 03/06/11 | N/A | | 0 | 0 | 0 |
| Housing | | | | | | | |
| Hillingdon Homes Dissolution | Completed | | | | | | |

| Internal Audit Plan 2010-11 Progress | | | | | | | |
|--|-----------------------------|-----------------------|------------------------|---|--|---|---|
| Audit Title | Status | Date Finalised | Assurance Level | Date of Last Follow Up | Number of outstanding recommendations | | |
| Supporting People | Draft issued | | | | | | |
| Housing & Council Tax Benefit | Finalised | 22/02/2011 | Full | | 0 | 0 | 0 |
| Private Sector Renewal & Disability Grant | Finalised | 30/09/10 | Limited | Apr 2011 – revised date Nov 2011 | 1 | 0 | 0 |
| | | | | | | | |
| | | | | | | | |
| Older People's Care | | | | | | | |
| Homecare - Contract Provision | Deferred to 2011/12 | | | | | | |
| Residential Block Contracts | Combined with Spot Contract | | | | | | |
| Residential Spot Contracts | Draft Issued | | | | | | |
| Residential to Independent living | Draft Issued | | | | | | |
| | | | | | | | |
| People with Physical and Sensory Disability | | | | | | | |
| Children with Disabilities - Transition | Draft issued | | | | | | |
| Stroke Care Grant | Completed | | | | | | |
| | | | | | | | |
| Other Adult Services | | | | | | | |
| Safeguarding Adults | Finalised | 18/05/11 | Satisfactory | | 0 | 3 | 1 |
| | | | | | | | |
| ENVIRONMENT AND CONSUMER PROTECTION | | | | | | | |
| Risk Management | Finalised | 16/05/11 | Satisfactory | See Corporate report under Cross Cutting Issues | | | |
| Street Cleaning | Finalised | 13/12/10 | Satisfactory | May 2011 - | 1 | 2 | 0 |

| Internal Audit Plan 2010-11 Progress | | | | | | | |
|---|--------------|----------------|-----------------|---|---------------------------------------|---|---|
| Audit Title | Status | Date Finalised | Assurance Level | Date of Last Follow Up | Number of outstanding recommendations | | |
| | | | | revised date Sep 2011 | | | |
| Improvement Projects | Draft issued | | | | | | |
| Parking Cash Collection | Draft issued | | | | | | |
| Parking Permits (Residents, Visitors & Brown Badges) | Finalised | 12/10/10 | Limited | April 2011 – revised date Sep11 | 0 | 2 | 0 |
| Stray Dog Service | Finalised | 14/09/10 | Satisfactory | May 2011 – revised date Sep 2011 | 0 | 1 | 0 |
| Abandoned & Untaxed Vehicles | Finalised | 09/09/10 | Full | Jan 2011 | 0 | 0 | 0 |
| | | | | | | | |
| PLANNING AND COMMUNITY SERVICES | | | | | | | |
| Risk Management | Finalised | 16/05/11 | Satisfactory | See Corporate report under Cross Cutting Issues | | | |
| | | | | | | | |
| Major Construction Projects | | | | | | | |
| Individual Project Management x 2 | Drafting | | | | | | |
| | | | | | | | |
| Property | | | | | | | |
| Civic Centre Security contract | Finalised | 21/09/10 | Limited | Follow up in progress | 6 | 3 | 0 |
| Civic Centre Mechanical and Electrical contract | Deleted | | | | | | |
| Facilities Management Contract | Drafting | | | | | | |
| Utilities - Water | Completed | | | | | | |
| | | | | | | | |
| Arts, Culture, Libraries & Adult Education | | | | | | | |

| Internal Audit Plan 2010-11 Progress | | | | | | | |
|--|-------------------|-----------------------|------------------------|----------------------------------|--|-----|-----|
| Audit Title | Status | Date Finalised | Assurance Level | Date of Last Follow Up | Number of outstanding recommendations | | |
| Adult Education | Draft issued | | | | | | |
| Culture and Arts Strategy | Finalised | 11/11/10 | Satisfactory | May 2011 – revised date Jul 2011 | 3 | 1 | 0 |
| | | | | | | | |
| Sport and Leisure | | | | | | | |
| Fusion Management Contract | Drafting | | | | | | |
| Leisure Facilities Management Contract | Deferred to 11/12 | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Contingency | | | | | | | |
| Audits | | | | | | | |
| S31/1717 NEW BURDENS (EFFICIENCY INFORMATION AND COUNCIL TAX DEMAND) | Completed | | | | | | |
| Conflicts of Interest | Completed | N/A | N/A | N/A | N/A | N/A | N/A |
| Higher Mileage User Status | Finalised | 17/11/10 | Limited | 16/5/2011 | 0 | 0 | 0 |
| Engineering Consultancy | Completed | 31/1/11 | N/A | N/A | N/A | N/A | N/A |
| Payment Vouchers - Non-Invoice Payments | Completed | 07/09/10 | N/A | N/A | N/A | N/A | N/A |
| Investigation 028 | Completed | 2/12/10 | N/A | N/A | N/A | N/A | N/A |
| Investigation 029 | Completed | 30/11/10 | N/A | N/A | N/A | N/A | N/A |
| Investigation 030 | Completed | 1/10/2010 | N/A | N/A | N/A | N/A | N/A |
| Investigation 031 | In Progress | | | | | | |
| Investigation 032 | Completed | 30/11/10 | N/A | N/A | N/A | N/A | N/A |
| Entertainment License Review | Completed | 8/12/10 | N/A | | 0 | 0 | 5 |
| Investigation 033 | Completed | 1/10/2010 | N/A | N/A | N/A | N/A | N/A |
| Football Foundation Grant | Completed | 19/10/10 | N/A | N/A | N/A | N/A | N/A |
| Hayes and Harlington Association | Completed | 15/04/11 | N/A | N/A | N/A | N/A | N/A |

| Internal Audit Plan 2010-11 Progress | | | | | | | |
|---|---------------|-----------------------|------------------------|--|--|-----|-----|
| Audit Title | Status | Date Finalised | Assurance Level | Date of Last Follow Up | Number of outstanding recommendations | | |
| Investigation 034 | Completed | | | | | | |
| Investigation 035 | In Progress | | | | | | |
| Agency Car Mileage | Completed | 17/12/10 | N/A | N/A | 0 | 0 | 0 |
| Estate Services Contracts | Drafting | | | | | | |
| Court Costs | Finalised | 03/06/11 | Limited | | 4 | 2 | 0 |
| Investigation 036 | Completed | 07/01/11 | N/A | N/A | N/A | N/A | N/A |
| Investigation 037 | In Progress | | | | | | |
| Investigation 038 | In Progress | | | | | | |
| Investigation 039 | Completed | 04/02/11 | N/A | N/A | N/A | N/A | N/A |
| Investigation 040 | Completed | 08/04/11 | N/A | N/A | N/A | N/A | N/A |
| Investigation 041 | Completed | 01/06/10 | N/A | N/A | N/A | N/A | N/A |
| Building Control | Completed | 10/05/11 | N/A | N/A | N/A | N/A | N/A |
| Investigation 042 | Completed | 03/06/11 | N/A | N/A | N/A | N/A | N/A |
| Investigation 043 | In progress | | | | | | |
| Investigation 044 | In progress | | | | | | |
| | | | | | | | |
| ICT audit contract | | | | | | | |
| Disposals | Finalised | Sept | Satisfactory | November 2010 - revised date March 2011- Follow up in progress | 0 | 2 | 1 |
| Liquid Logic | Finalised | May 11 | Limited | | 0 | 6 | 1 |
| Software Licensing | Finalised | Oct 10 | Limited | | 1 | 11 | 2 |
| Oracle Financials- Debtors | Draft issued | | | | | | |
| E-Payments | Finalised | April 11 | Limited | | 2 | 6 | 3 |
| Information Assurance & Security | Finalised | 31/1/11 | Satisfactory | | 0 | 3 | 1 |

| Internal Audit Plan 2009-10 Progress | | | | | | | |
|---|---------------|-----------------------|------------------------|--|--|---|---|
| Audit Title | Status | Date Finalised | Assurance Level | Date of last Follow up | Number of outstanding recommendations | | |
| CROSS CUTTING CORPORATE ISSUES | | | | | | | |
| Budgetary Control | Finalised | 02/03/10 | Satisfactory | May 2011 – revised date Sep 2011 | 0 | 3 | 2 |
| Performance Management | Finalised | 29/03/10 | Satisfactory | May 2011- revised date Dec 2011 | 0 | 1 | 0 |
| Flexi Leave - Monitoring, Approval and Control | Finalised | 15/7/10 | Limited | May 2011 | 0 | 0 | 0 |
| DEPUTY CHIEF EXECUTIVE/FINANCE & RESOURCES | | | | | | | |
| HR Payroll changes and trigger dates | Finalised | 29/6/10 | Limited | Feb 2011 – revised date May 2011 – Follow up in progress | 1 | 2 | 0 |
| Payroll | Finalised | 17/08/10 | Limited | March 2011 | 0 | 0 | 0 |
| Corporate Property | | | | | | | |
| Estate and Valuation Service | Finalised | 19/7/10 | Satisfactory | March 2011 | 0 | 0 | 0 |
| Utilities Contracts Gas & Electricity | Finalised | 26/03/10 | Satisfactory | May 2011 - revised date July 2011 | 0 | 1 | 1 |
| Legal | | | | | | | |
| Freedom of Information /Data Protection | Finalised | 11/06/10 | Satisfactory | May 2011 – revised date Jun 2011 | 0 | 2 | 1 |
| AXXIA System | Finalised | 16/04/10 | Satisfactory | February 2011 | 0 | 0 | 0 |
| Debt Recovery Processes | Finalised | 10/5/10 | Satisfactory | Jun 2011 – revised Sep 2011 | 0 | 3 | 0 |
| Major Construction Projects | | | | | | | |
| Contracts - Current | Finalised | 25/05/10 | Limited | May 2011 | 0 | 0 | 0 |
| ENVIRONMENT & CONSUMER PROTECTION | | | | | | | |
| Grounds Maintenance Contracts - Parks and Open spaces | Finalised | 23/02/10 | Satisfactory | May 2011 – revised date Jul 2011 | 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 | | |
| | | | | | | | |
| Highways Reactive Maintenance | Finalised | 7/9/10 | Limited | Feb 2011 - revised date May & July 2011 – Follow up in progress | 2 | 1 | 0 |
| Highways Planned Maintenance | Finalised | 26/01/10 | Satisfactory | May 2011 – revised date Mar 2012 | 0 | 3 | 0 |
| Domestic Waste Collection & Disposal –Civic Amenity Sites | Finalised | 3/6/10 | Limited | May 2011 – Revised date Dec 2011 | 0 | 1 | 0 |
| PLANNING AND COMMUNITY SERVICES | | | | | | | |
| Major Applications | Finalised | 15/04/10 | Satisfactory | May 2011 | 0 | 0 | 0 |
| Business Continuity & Civil Emergency Audit | Finalised | 08/06/09. | Limited | Dec 2010 – revised date May 2011 – Follow up in progress | 2 | 1 | 0 |
| CHILDREN'S SERVICES | | | | | | | |
| Nursery Education - Private Provision | Finalised | 15/7/10 | Satisfactory | May 2011 | 0 | 0 | 0 |
| Asylum Accommodation | Finalised | 23/04/10 | Satisfactory | Mar 2011 – revised date Oct 2011 | 0 | 3 | 0 |
| Schools - Primary | | | | | | | |
| Wood End Park | Finalised | 11/2/10 | Satisfactory | Nov 2010 – revised date Mar 2011 - Follow up in progress | 1 | 0 | 0 |
| Schools - Secondary | | | | | | | |
| Barnhill Community High | Finalised | 09/10/09 | Limited | Nov 2010 – revised date Mar 2011 - Follow up in progress | 0 | 1 | 0 |
| Ruislip High Secondary School | Finalised | 25/03/10 | Satisfactory | May 2011 – revised date Dec 2011 | 1 | 2 | 0 |
| Other School Related | | | | | | | |

| Internal Audit Plan 2009-10 Progress | | | | | | | |
|---|-----------|----------------|-----------------|---|---------------------------------------|---|---|
| Audit Title | Status | Date Finalised | Assurance Level | Date of last Follow up | Number of outstanding recommendations | | |
| | | | | | | | |
| Primary Sickness Scheme | Finalised | 29/01/10 | Satisfactory | Sep 2010 – revised date Dec 2010 ¹ - Follow up in progress | 1 | 0 | 1 |
| Hillingdon Grid for Learning | Finalised | 2/12/09 | No Assurance | Nov 2010 – revised date May 2011 – Follow up in progress | 0 | 1 | 0 |
| ASCHH | | | | | | | |
| Finance systems | | | | | | | |
| Carefirst Debtors | Finalised | 12/2/10 | Satisfactory | Jun 2010 – revised date Mar 2011 – Follow up in progress | 1 | 0 | 0 |
| Housing | | | | | | | |
| Private Sector Leasing | Finalised | 23/06/10 | Satisfactory | May 2011 | 0 | 0 | 0 |
| Temporary Accommodation (formerly B&B) | Finalised | 26/08/10 | Limited | May 2011 – revised date Sep 2011 | 1 | 0 | 0 |
| Older People's Care | | | | | | | |
| Homecare In-House Provision | Finalised | 13/05/10 | Satisfactory | Feb 2011 | 0 | 0 | 0 |
| Learning Disabilities | | | | | | | |
| Sec 75 Agreement (Funding of LD Services) | Finalised | 6/10/10 | Satisfactory | Follow up in progress | 0 | 2 | 0 |
| Mental Health Service | | | | | | | |
| Mental Health Service | Finalised | 29/06/10 | Limited | April 2011 - revised date Aug 2011 | 0 | 1 | 0 |
| ICT Contracted Days | | | | | | | |
| IT Disaster Recovery | Finalised | 14/04/10 | Limited | May 2011 - revised date Sept 2011 | 1 | 3 | 0 |
| Environmental Services Application | Finalised | 25/08/09 | Limited | Dec 2010 - revised date Apr 2011 – Follow up in progress | 1 | 1 | 1 |

| 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 |
| FINANCE & RESOURCES | | | | | | | |
| Pensions Admin | Finalised | 07/01/09 | Satisfactory | May 2011 | 0 | 0 | 0 |
| Commercial Properties | Finalised | 11/09/08 | Satisfactory | May 2011 | 0 | 0 | 0 |
| IT Audits | | | | | | | |
| IT Physical and Environmental Security | Finalised | 25/03/09 | Satisfactory | April 2011 | 0 | 0 | 0 |
| Helpdesk Application | Finalised | 05/03/09 | Satisfactory | May 2011 - revised date August 2011 | 0 | 1 | 0 |
| Remote Access (ICT) | Finalised | 29/7/09 | Satisfactory | Jan 2011 - revised date June 2011 | 0 | 2 | 0 |
| Northgate Application Review | Finalised | 25/03/09 | Satisfactory | Feb 2011 | 0 | 0 | 0 |
| Ocella Application Review | Finalised | Feb 09 | Limited | Jan 2011 - revised date April 2011 – Follow up in progress | 0 | 1 | 0 |
| IT Data Security and Transfer (from Contingency) | Finalised | 26/03/09 | Limited | August 2010 – revised date Feb 2011 – Follow up in progress | 0 | 1 | 0 |
| Email Security and Management | Finalised | 27/05/09 | Limited | Feb 2011 – revised date August 2011 | 0 | 1 | 0 |

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

Key

| Audit Title | Status | Assurance Level | Number of outstanding recommendations | | | Comments |
|--|--------|--------------------|--|-----|-----|---|
| | | | High | Med | Low | |
| PLAN 2007-8 | | | | | | |
| ADULT SOCIAL CARE, HEALTH & HOUSING | | | | | | |
| Private Sector Leasing | ✓ | ✓ | 1 | 0 | 0 | Followed up May 2011 - Revised date Jul 2011 |
| FINANCE & RESOURCES | | | | | | |
| ICT | | | | | | |
| Business Continuity Planning | ✓ | ✓ | 0 | 2 | 0 | Revised date May 2011 – Follow up in progress |
| FINANCE AND RESOURCES | | | | | | |
| Securicor Collection | ✓ | ⇩ | 1 | 0 | 0 | Revised date April 2011 - Follow up in progress |

