

AGENDA ITEM: 6 Page nos. 1-31

Meeting	Audit Committee
Date	28 June 2007
Subject	Internal Audit Annual Report 2006-7
Report of	Head of Internal Audit and Ethical Governance
Summary	The Committee is asked to note the 2006-7 Internal Audit Annual Report and appendices.

Officer Contributors	Head of Internal Audit and Ethical Governance
Status (public or exempt)	Public
Wards affected	N/A
Enclosures	Appendix A: 2006/7 Internal Audit Annual Report Appendix B: 2006/7 Internal Audit Annual Audit Plan Update Appendix C: 2006/7 Internal Audit Performance Indicators Appendix D: 2006/7 Internal Audit Detailed Risk Analysis Summary
For decision by	Audit Committee
Function of	Council
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Michael Bradley, Head of Internal Audit and Ethical Governance, 020 8359 7151.

1. RECOMMENDATIONS

- 1.1 That the Committee note the contents of the report and the actions being carried out to address deficiencies.**
- 1.2 That the Committee consider whether there are any areas on which they require additional action.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 The Audit Committee on 20th March 2007 included in the work programme for 2007/8, the Internal Audit Annual Report for 2006/7.
- 2.2 The Audit Committee on 15th February 2006, having noted the Internal Audit 2004/5 Annual Report Update, instructed the Chief Internal Auditor (as was), in future, to provide progress reports to the Committee on any areas where, in his professional opinion, no significant progress has been made by management in addressing audit findings, and that, in such circumstances, the Chief Internal Auditor be required to bring forward recommendations to the Committee (which it might accept or reject) on possible courses of action to achieve the required progress, which could include in exceptional circumstances calling the relevant Head of Service and, or Cabinet Member to attend and explain the situation to the Committee.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 Continuous improvement is necessary for us to deliver our priorities. We must improve how we work and the infrastructure we work with. Our corporate services, including finance, human resources and corporate governance, play a significant part in helping us achieve our vision for:

“A smaller entity with a smaller but more efficient corporate support function and a greater concentration of resources on outcomes.”

- 3.2 We are committed to continually improving how we work to provide community leadership, community choice and higher quality services at the lowest possible price (Corporate Plan 2007/08 - 2010/11).

4. RISK MANAGEMENT ISSUES

- 4.1 The purpose of the Internal Audit Annual Report 2006/7 is to highlight to the Chief Executive, Audit Committee, lead member, Council Directors Group and External Audit, the findings of Internal Audit work conducted in 2006/7 (for work that has not previously been reported in the 2006/7 Interim Annual Report).
- 4.2 The report identifies those areas which are of significant risk in the work undertaken by Internal Audit during this period.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 It is an overriding principle that services provided to the whole community represent value for money in terms of quality, efficiency and effectiveness. This supports the Council's obligations in meeting its public duties under Equalities legislation.

6. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 6.1 None directly as a result of this report but it is for management to determine whether addressing any of the risks identified by internal audit reports will require additional resources.

7. LEGAL ISSUES

- 7.1 None.

8. CONSTITUTIONAL POWERS

- 8.1 Constitution Part 3 Paragraph 2 details the functions of the Audit Committee including "To consider the Head of Internal Audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements".

9. BACKGROUND INFORMATION

Introduction

- 9.1 The report provides summary details in Appendix A of all Internal Audit reports which have been agreed and finalised with clients as at 22nd May 2007. The report also identifies and gives more detail on those areas which are of significant risk. This is a planned report within the 2007/8 work programme for this Committee.

Executive Summary

- 9.2 Although it is impractical to give an overall opinion on the control environment, generic control weaknesses are identified in the analysis document at Appendix D. As can be seen, the most recurring areas of weakness are:
- Resources not used economically or effectively (48 instances out of a total 157 reported risks made).
 - Either no or inadequate policies and procedures (38 instances out of a total 157 reported risks made).

Findings in this area do not necessarily mean that policies and/or procedures do not exist but that improvements or additions to existing policies and/or procedures may be required.

The generic risks that result from these omissions include potentially: lack of consistency; standards not being set, understood or complied with; loss of knowledge due to staff changes; increased training time for new staff.

- Inadequate monitoring controls over resources (27/157)
The generic risks that result from these omissions include potentially: failure to achieve optimum benefit from resources; management unaware of misuse of resources or potential adverse budget circumstances.

9.3 We have agreed management action to address weaknesses recorded in the respective reports, which, if implemented, will improve the overall control environment.

9.4 17% of risks were assessed by internal audit as 'Priority 1', signifying that there was a 'significant risk that either objectives will not be met efficiently and effectively or that fraud or irregularity is unlikely to be prevented or detected'.

9.5 78% of risks were 'Priority 2', signifying 'only limited assurance that objectives will be met efficiently and effectively or that fraud or irregularity will be prevented or detected'.

Follow-ups

9.6 All Internal Audit work is followed up as a matter of course. The annual report provides summaries of the findings at follow-up audits. Follow-ups indicate how the level of audit assurance has changed as a result of management implementation of agreed actions. Details of the assurance revisions on the 26 follow-ups conducted in the report period are detailed below. Whilst it is encouraging that 20 of the areas are now at a 'full' or 'satisfactory' level of assurance, it needs to be noted that 7 remain at 'limited' indicating that further management action is required to fully implement agreed actions or mitigate identified risks.

Analysis of Assurance Levels on Follow-up	No.
Limited assurance still limited assurance	5
Satisfactory assurance to limited assurance	1
No or limited assurance to satisfactory	12
Satisfactory assurance still satisfactory assurance	6
Satisfactory assurance to full assurance	2
Total	26

9.7 Page 5 of appendix A indicates that a follow-up review of Freedom of Information was conducted which evidenced that the assurance level had risen from 'limited' to satisfactory. As the Head of Internal Audit and Ethical Governance is also the line manager for the FOI Officer, we have asked the Council's External Auditor to review the audit work which delivered this assurance statement.

Corporate Governance and Risk Management

Corporate Governance

9.8 We are in the process of conducting a full review of corporate governance arrangements. The outcome will be contained in the interim annual report for 2007/8.

Risk Management

- 9.9 We undertook a formal audit of the processes and arrangements in place to deliver an embedded risk management structure in 2003/4. The overall conclusion was limited assurance that objectives would be achieved as implementation was at an early stage. The Council's external auditors, Robson Rhodes, conducted a further full audit of Risk Management in 2005/6 which included following up the recommendations made in the Internal Audit report. We have relied on the work of external audit in this area. External Audit's final report came to the conclusion that:
- 'The current arrangements and processes form a good foundation for further developing risk management so that the areas for improvement identified during our review can be addressed.'

The action plan from that review is being taken forward by the newly assigned Corporate Risk Manager. A further full review of the revised arrangements has been undertaken and is being finalised at the time of writing of this report.

Customer Evaluation Questionnaires

- 9.10 The Audit Committee at the meeting on 20 March asked that Internal Audit reinstate the performance indicator on Customer Evaluation Questionnaires to comply with the CIPFA Code of Best Practice for Internal Audit. Performance for the past two years is summarised below:

2005/06

42 questionnaires sent; 25 questionnaires returned. An average score of 2.6 was achieved where 2 is 'highly effective' and 3 is 'perfectly satisfactory'.

2006/07 (ongoing)

33 questionnaires sent to date; 13 questionnaires returned to date. An average score of 2.3 was achieved.

When last monitored by the Committee, our target was 3 or better (i.e. lower). We will report again against this target when producing the interim and annual reports, unless the Committee instructs otherwise.

Internal Audit Performance Management

- 9.11 Appendix B gives the status of each element of the original audit plan. In addition to the agreed plan, additional work and work carried forward from the previous plan is also listed. Appendix C gives the position against the Internal Audit unit's performance indicators (PIs) and the reason for any deferral or cancellation.

The PI regarding percentage of audit plan completed refers to the achievable plan i.e. after any reviews have been deferred or cancelled and taking newly commissioned reviews into account.

10. LIST OF BACKGROUND PAPERS

- 10.1 Any person wishing to view any of the background papers should telephone 020 8359 7151.

Internal Audit Annual Report 2006-07

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INTERNAL AUDIT ACTIVITY SUMMARIES BY SERVICE

- 1 Resources**
- 2 Communities**
- 3 Environment and Development**
- 4 Communications**
- 5 Corporate Governance**

AUDIT REPORT SUMMARIES FOR HIGH RISK AREAS

Directorate: Communities

- A1 Learning Disabilities Audit**

Directorate: Environment & Development

- A2 Private Sector Leasing Audit**
- A3 Rent Deposit Schemes Key Control Audit**

Directorate: Corporate Governance

- A4 Business Continuity 06/07 Audit**

Internal Audit Activity Summary: Resources

Audit Reports: Risks Identified

Service	System	Priority 1	Priority 2	Priority 3	Assurance
ST SERV	06/07 EDRMS (P)	1	4	0	Limited
SH SERV	Physical and Environmental Security	1	3	0	Limited
SH SERV	E-mail 06/07	0	7	1	Limited
ST SERV	Computer Misuse and the Law 06/07	0	4	0	Limited
ST SERV	Performance and Policy Cycle	0	7	1	Satisfactory
ST SERV	Attendance Management	0	3	0	Satisfactory
SH SERV	NNDR Business Rate 06/07	0	3	0	Satisfactory
SH SERV	Service and Patch Management	0	2	2	Satisfactory
SH SERV	Council Tax 06/07	0	2	1	Satisfactory
SH SERV	Education Finance	0	0	0	Full

Follow-up Reports: Risks Mitigated

Service	System	Priority 1			Priority 2			Priority 3			Assurance of Original Audit	Assurance on Follow-up
		Y	P	N	Y	P	N	Y	P	N		
SH SERV	Stores fw-up	0	0	2	0	0	8	0	0	0	No Assurance	n/a**
ST SERV	Management of Shops fw-up	0	0	1	0	2	4	0	0	0	Limited	Limited
SH SERV	Modernising Our Infrastructure 06/07 fw-up	3	4	2	3	2	0	0	0	0	No Assurance	Satisfactory
SH SERV	Bailiffs	0	1	1	2	0	0	0	0	0	No Assurance	Satisfactory
ST SERV	Use of Consultants fw-up	0	1	1	2	0	0	0	0	0	No Assurance	Satisfactory
SH SERV	Mobility fw-up	0	1	1	4	0	0	0	0	0	Limited	Satisfactory
SH SERV	NNDR Business Rate 05/06 fw-up	0	1	0	3	1	1	0	0	0	Limited	Satisfactory
SH SERV	Operating Systems fw-up	1	1	0	0	0	0	0	0	0	Limited	Satisfactory
SH SERV	Cash Collection Axis fw-up	4	0	0	5	1	2	1	0	0	Limited	Satisfactory
SH SERV	Council Tax 05/06 fw-up	0	1	0	0	0	1	0	0	0	Satisfactory	Satisfactory
SH SERV	BACs 05/06 fw-up	0	0	0	5	1	1	0	0	0	Satisfactory	Satisfactory
SH SERV	VAT 05/06 fw-up	0	0	0	3	0	3	0	0	0	Satisfactory	Satisfactory
SH SERV	Financial Systems and Gen Ledger 05/06 fw-up	1	0	0	2	0	0	0	0	0	Satisfactory	Satisfactory
ST SERV	Treasury Management fw-up	0	0	0	1	0	0	0	0	0	Satisfactory	Full

Other Audit Work:

Service	System	Type of Work	Assurance
SH SERV	IT Assets Management and Disposals	Management Letter	Assurance pending further work
SH SERV	06/07 IS Follow-up Review (P)	Management Letter	Limited
ST SERV	Milly Apthorpe 2006/07	Probity Audit	Satisfactory

** Stores closed down on the 31/03/07 and the remaining residual risks were followed up with Management and a current position statement obtained in relation to the continuing risks. Responsibility for ordering and managing stock has been devolved to individual Services, therefore some of the reported risks will transfer to Service areas.

Key

* Report at final draft stage

Y Mitigated

P Partially Mitigated

N Not Mitigated

Internal Audit Activity Summary: Communities

Audit Reports: Risks Identified

Service	System	Priority 1	Priority 2	Priority 3	Assurance
ASS	Learning Disabilities 06/07	2	7	0	No Assurance
ASS	Income from Barnet PCT	2	5	0	Limited
CS	06/07 Integrated Children's Service (P)	1	4	0	Limited
PPG	Golden Thread	0	7	2	Limited
PPG	Community Strategy	0	5	0	Satisfactory
CS	Development & Consultancy	0	4	0	Satisfactory
CS	Catering	0	3	0	Satisfactory
CS	Stock Procurement Libraries	0	2	1	Satisfactory
CS	Schools Asset Management	0	2	0	Satisfactory
CS	06/07 Primary Schools Capital Programme (P)	0	2	0	Satisfactory

Follow-up Reports: Risks Mitigated

Service	System	Priority 1			Priority 2			Priority 3			Assurance of Original Audit	Assurance on Follow-up
		Y	P	N	Y	P	N	Y	P	N		
ASS	Learning Disabilities 06/07 fw-up	1	1	0	2	4	1	0	0	0	No Assurance	Limited
CS	Teacher's Pension (further) fw-up	5	0	0	6	3	0	0	0	0	Limited	Satisfactory
CS	Research & Management Info I fw-up	1	0	0	4	1	0	0	0	0	Satisfactory	Satisfactory

Other Audit Work:

Service	System	Type of Work	Assurance
PPG	LPSA Claim 2006/07	Probity Audit	Full Assurance
CS	Nursery Education Funding (Responsive)	Responsive	***N/A

** This follow-up is currently in progress and findings will be reported in the final version of this report.

*** An assurance statement was not given - this was a management letter issued when fraudulent activity was uncovered during the course of a wider audit. Internal Audit will follow up the actions agreed to address the control weaknesses which allowed the fraud to occur.

Key

<p>* Report at final draft stage Y Mitigated P Partially Mitigated N Not Mitigated</p>
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Internal Audit Activity Summary: Environment & Development

Audit Reports: Risks Identified

Service	System	Priority 1	Priority 2	Priority 3	Assurance
HSG	Private Sector Leasing	5	7	0	No Assurance
HSG	Rent Deposit Schemes (KC)	5	5	0	No Assurance
E&T	Green Spaces	0	12	0	Limited
HSG	Decent Homes Investment Programme	0	7	0	Limited
P&EP	Works in Default	0	8	1	Satisfactory
E&T	Winter Maintenance	0	4	0	Satisfactory

Follow-up Reports: Risks Mitigated

Service	System	Priority 1			Priority 2			Priority 3			Assurance of Original Audit	Assurance on Follow-up
		Y	P	N	Y	P	N	Y	P	N		
E&T	Transport for London 05/06 fw-up	0	0	1	0	1	3	0	0	0	Limited	Limited
E&T	Grounds Maintenance fw-up	1	0	1	4	1	3	0	1	1	Limited	Limited
HSG	Barnet Homes (ALMO) Monitoring fw-up	1	0	0	1	0	3	0	0	0	Limited	Limited
HSG	Housing Rents 05/06 fw-up	0	0	0	0	1	3	0	0	0	Satisfactory	Limited
HSG	Affordable Housing fw-up	0	0	0	1	0	0	0	0	0	Satisfactory	Full

Other Audit Work:

Service	System	Type of Work	Assurance
ST DEVT	Leasehold Hardship Purchase Scheme	Management Letter	Advice and guidance only

Key

<p>* Report at final draft stage Y Mitigated P Partially Mitigated N Not Mitigated</p>
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Internal Audit Activity Summary: Communications

Audit Reports: Risks Identified

Service	System	Priority 1	Priority 2	Priority 3	Assurance
COM	Consultation	3	4	0	Limited Assurance

Key

<p>* Report at final draft stage Y Mitigated P Partially Mitigated N Not Mitigated</p>
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Internal Audit Activity Summary: Corporate Governance

Audit Reports: Risks Identified

Service	System	Priority 1	Priority 2	Priority 3	Assurance
DD CGD	Business Continuity 06/07 (Draft)	6	3	0	No Assurance
DD CGD	Emergency Planning	1	4	0	Limited

Follow-up Reports: Risks Mitigated

Service	System	Priority 1			Priority 2			Priority 3			Assurance of Original Audit	Assurance on Follow-up
		Y	P	N	Y	P	N	Y	P	N		
DD CGD	Licenses fw-up	0	1	2	3	1	3	0	0	0	Limited	Limited
IA	Freedom of Information fw-up	0	0	2	0	1	7	0	0	0	Limited	Satisfactory
LEGAL	Money Handling fw-up	0	0	0	4	0	1	0	0	0	Limited	Satisfactory
DS	Letting of Contracts/DPRs fw-up	0	0	0	2	2	0	0	0	0	Satisfactory	Satisfactory
DS	Constitution fw-up	0	0	0	8	1	0	0	0	0	Limited	Satisfactory
DS	RDT System fw-up	1	1	0	2	1	0	0	0	0	Limited	Satisfactory

Key

<p>* Report at final draft stage Y Mitigated P Partially Mitigated N Not Mitigated</p>
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Appendix A: Internal Audit Annual Report 2006-07

Service Area	Issue Date	Assurance	Follow-up Date
Adult Social Services	07/02/2007	No Assurance	Q1 2007/08

Report Title

Learning Disabilities

1 Objective of System

1.1 The objectives of the Younger Adults division for learning disabilities are to meet assessed needs in an integrated, prompt way, using person centred approaches, focussing on high quality services to deliver fair and cost effective outcomes for service users and carers.

2 Scope of Audit

2.1 The objective of this review was to assess the effectiveness of care management and assessment by reviewing controls to ensure care packages are delivered and managed effectively. This was undertaken by sampling a selection of a minimum of ten cases selected on the basis of criteria such as level of cost/funding and level of training for social worker.

3 Executive Summary

3.1 Internal Audit can provide **no assurance** that the objectives are being met effectively and efficiently.

3.2 Audit conducted a focussed review of twenty six case files, selected at random, representing high costs and risks. Control weaknesses and associated risks are identified in Section 3 of the full report and include the following:

3.3 Statutory Reviews:

The service is experiencing backlogs in delivering required levels of statutory annual reviews. The extent of backlogs could not be confirmed due to data reliability. Prioritisation of reviews is resource-led rather than based on an assessment of risks from factors such as costs, placement break down or carer's age.

In addition, the service has a policy to allocate consecutive reviews to the same social worker without any assessment of the risks that may result from lack of independence. However it is acknowledged that it is good practice to build continuity of reviewing officer in order to be able to effectively monitor the impact of the care plan.

In the absence of a clear policy on prioritisation and allocation and an effective strategy to address backlogs there is a risk that the Council may not meet its statutory responsibility towards its service users.

Appendix A: Internal Audit Annual Report 2006-07

3.4 Managerial monitoring:

There is a lack of formal reporting and monitoring resulting from a lack of effective risk assessment and management processes. In addition, processes for monitoring micro outcomes are not adequate. Control reports in key areas such as waiting lists, statutory reviews, completed work, case loads, cases awaiting assessment and allocation of social worker are not complete, up-to-date and correct for ensuring effective supervision.

Additionally, follow up processes to ensure issues are resolved and planned outcomes are achieved were not effective in areas where the service is in the process of embedding new procedures and responding to changes (e.g. implementation of new assessment forms).

There is a risk of loss of efficiency and effectiveness in service delivery in the absence of effective managerial supervision and monitoring of outcomes in key areas by embedding effective processes for risk assessment and management.

4 Risks

	Priority 1:	Priority 2:	Priority 3:
4.1 Number of risks identified	2	7	0
4.2 Number of actions agreed	2	7	0
4.3 Priority 1 risks			
<ul style="list-style-type: none">• In the absence of a clear policy on prioritisation and allocation and an effective strategy to address backlogs there is a risk that the Council not meet its statutory responsibility towards its service users.• There is a risk of loss of efficiency and effectiveness in service delivery.			

5 Response to the Audit from Director and/or Head of Service

5.1 On completion of this audit, we requested an early follow up audit to be conducted. This has been now been completed and the assurance has risen to 'limited'. Work is ongoing to address the outstanding agreed actions which will be supported by increased senior management capacity at service manager level from April 2007.

Appendix A: Internal Audit Annual Report 2006-07

Service Area	Issue Date	Assurance	Follow-up Date
Housing	27/03/2007	No Assurance	Q2 2007/08

Report Title

Private Sector Leasing

1 Objective of System

1.1 The objective of the area is to ensure that sufficient and suitable quality accommodation (particularly in line with safety requirements and client needs) is secured/acquired, economically, under the Private Sector Leasing (PSL) arrangements to meet the Council's housing needs effectively.

2 Scope of Audit

- 2.1 Strategy
- 2.2 Operations
- 2.3 Performance management
- 2.4 Systems

3 Executive Summary

3.1 Internal Audit can provide **no assurance** that the existing system objectives will be achieved.

3.2 Private Sector Leasing Business Continuity Strategy

The Private Sector Leasing scheme is currently operated by four Officers, including the PSL manager. All four Officers are agency staff on temporary contracts. There is a risk that the successful operation of the scheme in the future may be compromised in the event of temporary staff leaving at short notice. There is also a risk that key knowledge and experience of the operation and the Scheme may be lost to the Authority if all temporary staff leave.

3.3 SAP system controls

A supplementary review of SAP system controls was undertaken following a specific request from the PSL Manager. Findings produced additional actions which have been included in the Action Plan:

SAP authorisation controls
Budgetary control
Recoveries

There is a risk there may be inappropriate and incorrect payments and also that financial information may not be correct and complete.

Appendix A: Internal Audit Annual Report 2006-07



Appendix A: Internal Audit Annual Report 2006-07

4 Risks

	Priority 1:	Priority 2:	Priority 3:
4.1 Number of risks identified	5	7	0
4.2 Number of actions agreed	5	7	0
4.3 Priority 1 risks			
<ul style="list-style-type: none">• Business continuity: Where the long-term stability of staffing for the PSL section is not ensured, there is a risk that the future successful operation of the scheme may be compromised in the event of temporary staff leaving at short notice. There is also a risk that key knowledge for the operation of the PSL scheme may be lost to the Council if all temporary staff leave.• Lack of division of duties for setting up and authorisation of purchase orders and invoices: In the absence of appropriate segregation of duties and authorisation controls there is a risk of unauthorised and incorrect payments being processed.• Lack of reliable financial recording and budget monitoring: There is a risk that Management are unable to ensure the accuracy and reliability of financial records or confirm the scheme is self financing.• Netting of commitments on SAP: There is a risk of incorrect commitment data being posted on SAP as a result of incorrect accounting for recoveries.• Agreed protocol with Barnet Homes: Incorrect, inappropriate, incomplete accounting adjustments for recovery of repair costs and incomes.			

5 Response to the Audit from Director and/or Head of Service

5.1 The service has agreed and is implementing an action plan for addressing the risks identified in the review. The risks identified have also informed a review of the structure of the team, as part of a wider review of the Housing Options service
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Appendix A: Internal Audit Annual Report 2006-07

Service Area	Issue Date	Assurance	Follow-up Date
Housing	08/12/2006	No Assurance	Q2 2007/08

Report Title

Rent Deposit Schemes (KC)

1 Objective of System

1.1 The key strategic objective of the Private Sector Tenancy Scheme (PSTS) is to efficiently and effectively maximise the range of housing options available to families and home seekers in Barnet as part of the strategy to decrease homelessness and reduce costs of temporary accommodation.

2 Scope of Audit

- 2.1 Policy and procedures
- 2.2 Assessment and authorisation
- 2.3 Recovery and reconciliation processes

3 Executive Summary

- 3.1 Audit reviewed this area in 2003-04 and concluded that no assurance could be provided that the service would achieve its objectives. There was no significant improvement by 2004-05 when our follow up review concluded that the risk exposure had increased from medium to high.
- 3.2 Key controls were tested by observation and cross verification (interviews) between control operators during our walk-through to verify systems. Selective samples of items were used for "walk through" testing and checked for evidence that controls were operating effectively.
- 3.3 Audit can provide **no assurance** that the objectives of the rent deposit scheme are being achieved effectively and efficiently.

4 Risks

	Priority 1:	Priority 2:	Priority 3:
4.1 Number of risks identified	5	5	0
4.2 Number of actions agreed	5	5	0

Appendix A: Internal Audit Annual Report 2006-07

4.3 Priority 1 risks

- Fraud or irregularity may not be prevented or detected.
- Incorrect information is available for decision making purposes and allocation of housing.
- Financial loss to the Council resulting from lack of effective processes for recovery of debts.
- Management may be unable to assess whether the scheme has met its objectives with sound financial planning.
- Inappropriate dealings with the public, causing a loss to the council.

5 Response to the Audit from Director and/or Head of Service

5.1 The service welcomed the audit review, has fully accepted its recommendations and agreed an action plan for addressing the issues identified. The operation of the Private Sector tenancy team is being reviewed and an alternative delivery model is currently being piloted and evaluated.

Appendix A: Internal Audit Annual Report 2006-07

Service Area	Issue Date	Assurance	Follow-up Date
Corporate Governance	tbc	No Assurance	tbc

Report Title

Business Continuity 06/07 DRAFT

1 Objective of System

1.1 The objective of Business Continuity Management is to ensure that the core businesses of the Council can continue functioning in the light of an unforeseen adverse event.

2 Scope of Audit

- | | |
|--|--|
| 2.1 Strategies, policies and procedures
2.2 Roles and responsibilities
2.3 Importance of risk appetite | 2.4 Business Continuity Plan testing
2.5 Linkages between directorates
2.6 Embedding continuity planning |
|--|--|

3 Executive Summary

3.1 Internal Audit can provide **no assurance** that the existing system objectives will be achieved. The current levels of control within the framework are generally weak leaving the core Council businesses at risk of recovery taking longer than necessary.

3.2 **Strategy**

There is currently no official business continuity strategy. The Business Continuity team has supplied a copy of Slough Borough Council's strategy which the Council intend to use as a foundation for their own.

There is a risk of a lack of top level ownership and responsibility resulting in difficulty in embedding Business Continuity across the Council. There is a risk that the Council may not be aware of the statutory regulations or the direction in which it intends to travel. Business Continuity may not be aligned to the council's overall strategy.

3.3 **Roles and Responsibility**

The Plan explains the need for Champions to have adequate seniority to make management decisions. However, it does not appear that all services are fully aware of their responsibilities or have had adequate training.

There is a risk that staff are not able to perform their business continuity roles effectively.

3.4 **Completeness**

Critical functions have not been adequately identified in the Business Continuity Plans – management are now aware of this. Of the 29 service plans supplied across Council departments:

2 have been completed adequately with no further action needed
7 have not been submitted
20 have been identified as not sufficient or incomplete – 19 have had one-to-one meetings with the Business Continuity team to aid this process

Without a comprehensive coverage of service plans, there is a risk that a critical function may not be covered and in an adverse event would not have a plan for recovery, therefore could cause the system to become critical.

Appendix A: Internal Audit Annual Report 2006-07

4 Risks

	Priority 1:	Priority 2:	Priority 3:
4.1 Number of risks identified	6	3	0
4.2 Number of actions agreed			
4.3 Priority 1 risks			
<ul style="list-style-type: none"> • Strategy: Without a formal Business Continuity Strategy that identifies top level ownership and responsibility there is a risk to effective embedding of Business Continuity across the Council. There is a risk that the Council may not be aware of its statutory regulations or the direction in which it intends to travel. Business Continuity may not be aligned to the council's overall strategy. • Policies and procedures: Without adequate documentation of formal Policies and Procedures there is a risk that the Council may be missing fundamental information to aid and drive Business Continuity. As this function is not practiced on a day to day basis it is essential to provide documentation. As local business continuity will generally be assigned to operational service managers with little expertise and experience of this field there is a risk that there is an insufficient level of information to allow consistency and completeness in approach. • Training: Without adequate training there is a risk that staff are not able to perform their business continuity roles effectively and the lack of knowledge resulting in incomplete, inaccurate and late submission of their service Plans. • Capture of all key systems and services: Without a comprehensive coverage of service plans, there is a risk that key systems are missed. There is a risk that a critical function may not be covered and in an adverse event would not have a plan for recovery, therefore could cause the system to become critical. • Identification of risk appetite: Without a clear definition and clarification of the Councils policy on risk appetite areas of high risk may be overlooked and left uncontrolled or unmitigated. Low level risks that have been mitigated through extra controls may not be cost effective. • Testing of Plans: Without formal testing there is no means to evaluate how effective and relevant the current system is before the crystallisation of a crisis event that hits a service. 			

5 Response to the Audit from Director and/or Head of Service

5.1 A Business Continuity consultant has been appointed to address the risks in the report by designing a Business Continuity framework.
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2006/07 Annual Audit Plan Update @ 22/05/07

Notes:

1. Audit work highlighted in **bold** is additional work not shown on original 2006/07 Audit Plan which includes:

Newly commissioned work 2006/07

Work carried forward from 2005/06

Work deferred from 2005/06

2. Under 'Original Quarter Planned' numbers in brackets indicate original start quarter for jobs which have been moved.

3. Under 'Title of Audit/Project' titles in italics indicate that the audit has been renamed.

4. Under 'Job Type' the key is as follows:

S = System

KS = Key System

KC = Key Control

F = Follow-up

P = Project

V = Probity Visit

R = Responsive

5. Under 'Status' the key is as follows:

PL = Planning stage

FW = Fieldwork stage

DR = Draft Report stage

FR = Final Report stage

ML = Management Letter

CF = Carry Forward job

TOR = Terms of Reference

Service	Original Quarter Planned	Title of Audit/Project	Job Type	Status	Additional Comments
CORPORATE GOVERNANCE including Legal, Democratic Services, Community Protection Group and Audit &					
Director CGD	4 (2)	Corporate Governance 06/07	KC	FW stage	
Head Audit	4 (2)	Freedom of Information Act 05/06 follow-up	F	Issued 14/05/07	
Legal	4	Money Handling follow-up	F	Issued 11/05/07	
DS	CF 2005/06	Constitution	S	Issued 05/07/06	
DS	CF 2005/06	Letting of Contracts/DPRs	S	Issued 21/06/06	
DS	4	Constitution 05/06 follow-up	F	Issued 11/05/07	
DS	4	Letting of Contracts/DPRs follow-up	F	Issued 11/05/07	
DS	4	RDT System follow-up	F	Issued 11/05/07	
CPG	CF 2005/06	Street Enforcement Service	S	Issued 21/06/06	
CPG	2	Trading Standards f-up	F	Issued 08/09/06	
CPG	3	Business Continuity 06/07	S	FR stage	
CPG	3	Emergency Planning	S	FR stage	
CPG	3	Licenses follow-up	F	Issued 08/03/07	
CPG	4	General Elections follow-up	F	FW stage	
CPG	4 (3)	Money Laundering	S	DR stage	
CPG	4	Municipal Elections	S	FW stage	
CPG	3	Graffiti	S	Deferred	to Q1 2007/08 as moved from Environment to CGD
CPG	3	Street Enforcement Service follow-up	F	Deferred to Q1 2007/08 as agreed at exit meeting	This 2005/6 audit was completed in June 2006.
RESOURCES: STRATEGIC SERVICES including Strategic Finance, SPT, Strategic HR, Strategic IT, Business					
Strat Fin	CF 2005/06	Budgetary Control 04/05 follow-up	F	Issued 28/09/05	
Strat Fin	CF 2005/06	Valuation & Accounting for Fixed Assets	F	Issued 23/05/06	
Strat Fin	2	Milly Apthorpe 06/07	V	Issued 09/08/06	
Strat Fin	3 (1)	Stock Systems	KS/KC	DR stage	
Strat Fin	3	Treasury Management follow-up	F	Issued 31/10/06	
Strat Fin	4 (1)	Budgetary Control 06/07	S	FW stage	
Strat Fin	4 (3)	Capital Expenditure	S	PL stage	
Strat Fin	3 (2)	Fixed Assets	KS/KC	Cancelled	Work is being covered in Property Asset Mngt and Capital Expenditure
Strat Fin	Closed	Grants 06/07	P	Cancelled due to restructure and HoS request.	This was intended to be advice and guidance on proposed structural changes which did not occur.

Service	Original Quarter Planned	Title of Audit/Project	Job Type	Status	Additional Comments
Strat HR	CF 2005/06	Safer Recruitment	S	Draft ML stage	
Strat HR	2	Use of Consultants follow-up	F	Issued 11/05/07	
Strat HR	3	Attendance Management	S	Issued 15/11/06	
Strat HR	Ongoing (3)	HR Strategy, Recruitment & Operations (<i>Devolved HR Ops</i>)	P	Deferred to 2007/08	The service delivery being restructured from a devolved to
Strat HR	3	Human Resources Strategy	S	Cancelled due to restructure of HR	The service delivery being restructured from a devolved to
Strat HR	4	Equalities follow-up	F	Cancelled	Briefing document only issued i.e. no recommendations
Strat HR	4	Safer Recruitment follow-up	F	Cancelled	Final issue of audit deferred as above
Strat IT	1	Document Management Systems follow-up	F	Issued 03/10/06	
Strat IT	2	Computer Misuse and the Law 06/07	KC	Issued 01/02/07	
Strat IT	Ongoing	EDRMS Project (<i>Electronic Social Care Records System</i>)	P	Issued 30/03/07	
Strat IT	3	e-Government follow-up	F	Deferred to Q1 07/08 at client's request.	e-Government agenda now no longer running. Time taken to assess relevant issues in the original report.
Strat IT	4	IS Development Systems follow-up	F	Deferred to Q1 07/08 at client's request.	Deferral no major delay. Audit now completed.
Strat IT	4	IS/IT Strategy follow-up	F	Deferred to Q1 07/08 at client's request.	Deferral no major delay. Audit now completed.
Bus Impr	1	Central Complaints follow-up	F	Issued 16/10/06 (deferred from 2005/06)	
Bus Impr	2	BVPIs (Community Services) follow-up	F	Issued 06/10/06	
Bus Impr	2	Performance & Policy Cycle	S	Issued 02/03/07	
Bus Impr	2	BVPIs	S	Cancelled	Due to change of approach to auditing data quality.
PS&V	2	Management of HRA Shops follow-up	F	Issued 16/02/07	
PS&V	3	Property Asset Management	S	FW stage	
PS&V	3	Accommodation Strategy	S	Deferred to Q1 07/08 at client's request	Strategy was being revised.
PS&V	Closed	Agricultural Assets 06/07	P	Cancelled	Project has been merged with Property Asset Mngt audit

RESOURCES: SHARED SERVICES including Shared Service Centre, Infrastructure & IT Ops, Revenues, Finance Support Services, Corporate Services and Shared HR Services

Service	Original Quarter Planned	Title of Audit/Project	Job Type	Status	Additional Comments
SSC	CF 2005/06	BACs 05/06	S	Issued 21/06/06	
SSC	3	BACs 05/06 follow-up	F	Issued 04/05/07	
SSC	3	Modernising Our Infrastructure 06/07 follow-up	F	Issued 19/03/07	
SSC	4 (2)	Shared Service Centre (<i>Competency Centre</i>)	S	FW stage	
SSC	Closed	Modernising Core Systems 06/07	P	ML2 issued 17/06/06 (Phase II: Review Post Project Closure)	
SSC	Closed	Modernising Our Infrastructure 06/07	P	ML2 issued 06/09/06 (Project Progress)	
SSC	3	Electronic Social Care Records 05/06 project follow-up	F	Cancelled	No recommendations in original project
SSC	4	Service Desk 06/07 project follow-up	F	Cancelled as original project cancelled	
SSC	Closed	Service Desk 06/07	P	Cancelled as now to be reviewed in the Shared Service Centre audit	Currently finalising the Shared Service Centre audit
I&IT Ops	1	E-mail 06/07	S	Issued 29/11/06 (deferred from 2005/06)	
I&IT Ops	1	Physical and Environmental Security (<i>Phys & Env Review</i>)	S	Issued 15/02/07 (deferred from 2005/06)	
I&IT Ops	1	Service & Patch Management (<i>Upgrade Control</i>)	S	Issued 15/01/07 (deferred from 2005/06)	
I&IT Ops	2	Mobility follow-up	F	Issued 11/05/07	
I&IT Ops	2	Operating Systems follow-up	F	Issued 25/01/07	
I&IT Ops	3	IT Assets Management and Disposals	S	Issued 02/04/07	
I&IT Ops	4	E-mail follow-up	F	Deferred to Q1 07/08	Deferral no major delay. Audit now completed.
I&IT Ops	4	Infrastructure	S	Deferred to Q1 07/08	Allocated auditor on secondment. Audit planning now in progress.
I&IT Ops	4	Physical and Environmental Security follow-up	F	Deferred to Q3 07/08	To take account of risk implementation dates
I&IT Ops	4	Service & Patch Management follow-up	F	Deferred to Q2 07/08 in line with risk implementation dates	To take account of risk implementation dates
Revs	CF 2005/06	Cashbook Reconciliation & Banking (KC) 05/06 inc 04/05 follow-up	KS + F	Issued 21/06/06	
Revs	CF 2005/06	Debt Management/Debtors 05/06	KS	Issued 27/07/06	
Revs	1	Debtors Balance Sheet	S	Issued 11/10/06	
Revs	2	Bailiffs follow-up	F	Issued 16/02/07	
Revs	2	Cash Collection Axis System follow-up	F	Issued 04/05/07	
Revs	3	Council Tax 06/07	KS	Issued 21/05/07	
Revs	3	Council Tax 05/06 follow-up	F	Issued 21/05/07	
Revs	3	NNDR/Business Rate 06/07	KS	Issued 21/05/07	
Revs	3	NNDR/Business Rate 05/06 follow-up	F	Issued 21/05/07	
Revs	4 (3)	Accounts Receivable: Income & Debt Management	KS	DR stage	

Service	Original Quarter Planned	Title of Audit/Project	Job Type	Status	Additional Comments
Revs Revs	4 (3) Closed	Debt Management/Debtors 05/06 follow-up Pericles: Council Tax 06/07	F P	DR stage ML3 issued 04/07/06 (Conversion)	
Revs Revs	4 4	Cashbook Reconciliation Cashbook Reconciliation 05/06 follow-up	KC F	Deferred to Q1 07/08 at client's request Deferred to Q1 07/08 at client's request	Cashbook section restructured and activities reallocated. as above
Revs	Closed	Debt Management Strategy 06/07	P	Cancelled as no input required.	
FSS FSS FSS FSS FSS FSS FSS FSS FSS FSS FSS	CF 2005/06 CF 2005/06 CF 2005/06 CF 2005/06 1 1 2 4 4 4 4 4 4 4 (3)	Creditors 05/06 inc 04/05 follow-up Education Finance Financial Systems & General Ledger 05/06 VAT 05/06 inc 04/05 follow-up Creditors: Balance Sheet P-Cards School Balances: Scheme for Financing Accounts Payable: Payments Accounts Payable: Payments 05/06 follow-up Banking follow-up Financial Systems & General Ledger 05/06 follow-up P-Cards follow-up VAT 05/06 follow-up	KS + F S KS + F S + F S S S KC F F F F F	Issued 21/06/06 Issued 07/11/06 Issued 11/09/06 Issued 04/07/06 Issued 27/09/06 Issued 08/08/06 (deferred from 2005/06) Issued 09/10/06 FW stage DR stage DR stage Issued 11/05/07 DR stage Issued 14/05/07	
FSS	4	Education Finance follow-up	F	Cancelled	Audit was full assurance - no risks/ actions to follow up
Corp Serv Corp Serv Corp Serv Corp Serv	1 3 (2) 4 (2) 4	Stores Risk Management Central Contract Monitoring Stores follow-up	S S S F	Issued 13/10/06 DR stage FW stage Issued 14/05/07	
Shared HR	CF 2005/06	Payroll 05/06 inc 04/05 follow-up	KS + F	Issued 19/10/06	
Shared HR Shared HR	3 3 (1)	Payroll 06/07 Recruitment Phase I	KC S	Deferred to 2007/08 Deferred to Q1 2007/08	2005/06 audit finalised Q3 06/07 Merged with HR Strategy & Operations project
Shared HR Shared HR Shared HR	4 4 4 (3)	LG Pensions Service 06/07 LG Pensions Service 05/06 follow-up Payroll 05/06 follow-up	KC F F	Deferred to Q1 07/08 Deferred to Q1 07/08 Deferred to Q1 2007/08	Deferral due to client workload. Deferral due to client workload. Follow-up still scheduled for completion within 12 months
Shared HR	4	Recruitment Phase I follow-up	F	Cancelled	Audit merged with HR Strategy & Ops project

Service	Original Quarter Planned	Title of Audit/Project	Job Type	Status	Additional Comments
RESOURCES: ORGANISATIONAL DEVELOPMENT & CUSTOMER SERVICES including Customer Services, Organisational Dev't & Change Management, Information Observatory and Registrars					
Cust Serv	4 (3)	Web Content Management (<i>Intranet</i>)	S	FW stage	
Cust Serv	4 (3)	Customer Care	S	Cancelled	Due to CC restructure; project input planned for 2007/08
I Obs	Ongoing	IS Follow-up Review 06/07	P	Position Statement 2 issued 27/03/07	
I Obs	3	Shared Information and Business Intelligence	S	Deferred to Q3 07/08	Due to Service restructure.
I Obs	4	Project Support	S	Cancelled at client's request.	Discussions with management concluded that an audit of this areas would not add value. To be considered for risk assessment for 2008/9 audit planning.
Reg	4	Births, Deaths & Marriage Certificates follow-up	F	Issued 11/05/07	
COMMUNITIES: Adult Social Services, Children's Service and Policy & Partnerships Group					
ASS ASS ASS ASS	CF 2005/06 CF 2005/06 CF 2005/06 1	Income from Barnet PCT (<i>Community Care Income</i>) Recruitment & Retention Strategic Planning & Health Partnership Learning Disabilities	S F S KC	Issued 14/12/06 Issued 04/07/06 Issued 14/09/06 Issued 07/02/07	
ASS ASS ASS	4 (2) 4 4	Community Care Grant System follow-up Direct Payments follow-up Income from Barnet PCT (<i>Community Care Income</i>) follow-up	F F F	Deferred to Q2 07/08 Deferred to Q3 07/08 Deferred to Q3 07/08 in line with risk implementation dates	Due to Core Remodelling Programme Due to Core Remodelling Programme Follow-up still scheduled for completion within 12 months
ASS ASS ASS	4 (3) 4 Ongoing	Information Management/SWIFT follow-up Strategic Planning & Health Partnership follow-up Electronic Single Assessment Process 06/07	F F P	Deferred to Q2 07/08 Deferred to Q3 07/08 Deferred to 2007/08	Due to Core Remodelling Programme Due to Core Remodelling Programme Project on hold until September 2007
ASS ASS ASS ASS	4 (1) 4 (1) 4 4	ASS Income and Assessment Data Capture Electronic Social Care Records Homecare	S S S S	Cancelled and audit resources diverted to Core Remodelling Programme Cancelled as scope covered in BVPI (ASS) follow-up audit Cancelled and replaced with EDRMS project Cancelled and audit resources diverted to Core Remodelling Programme	

Service	Original Quarter Planned	Title of Audit/Project	Job Type	Status	Additional Comments
ASS	4	Homecare follow-up	F	Cancelled as audit cancelled	If significant delay on CRP follow-up will be reinstated.
ASS	4	Procurement & Contract Management follow-up	F	ML will be followed up during Core Remodelling Programme	
ASS	4 (2)	Reviews (<i>Reviewing Team</i>)	S	Cancelled and audit resources diverted to Core Remodelling Programme	
ASS	4	Reviews (<i>Reviewing Team</i>) follow-up	F	Cancelled as audit cancelled	
ASS	Closed	Financial Management & Invoice Payments 06/07	P	Cancelled and audit resources diverted to Core Remodelling Programme	
CS	CF 2005/06	Research & Management Information I	S	Issued 17/05/06	
CS	CF 2005/06	Teacher's Pensions 04/05 follow-up	F	Issued 13/02/06	
CS	1	Schools Asset Management	S	Issued 22/03/07	
CS	2	Development and Consultancy	S	Issued 30/10/06	
CS	2	SEN Budget and Contract	S	DR stage	
CS	2	Stock Procurement (Libraries) (<i>Stock Management</i>)	S	Issued 21/05/07	
CS	3	Catering	S	Issued 21/05/07	
CS	3	Teacher's Pensions further follow-up	F	Issued 09/01/07	
CS	4 (3)	Mngt Info Arrangements in Youth Service	S	FR stage	
CS	4	Nursery Education Funding	R	ML issued 28/02/07	
CS	4	Research & Management Information I follow-up	F	Issued 11/05/07	
CS	Ongoing (2)	Human Resources Traded Services	P	TOR agreed & ongoing into 2007/08	
CS	Ongoing	ICS (Integrated Children's Service)	P	Issued 03/04/07	
CS	Ongoing	Looked After Children & Fostering 06/07	P	TOR under discussion and ongoing into 2007/08	
CS	Ongoing	Primary Schools Capital Programme 06/07	P	Issued 30/03/07	
CS	3	Child Protection	S	Deferred to Q2 07/08 at client's request.	Realignment of Children's Service and newly appointed Deputy Director not yet in post.
CS	4 (3)	Looked After Children follow-up	F	Cancelled	Project is still at TOR stage
Director CS	3	Children's Act 06/07	S	Cancelled at client's request & rescoped for 2007/08 (Children's Act Complaints)	Realignment of Children's Service hence timing not appropriate.
CS	3	Use of Premises	S	Cancelled at client's request.	Client re-evaluated risk as low. Merged with Looked After Children project Significant areas covered under Safer Recruitment audit. Original audit was cancelled
CS	4 (3)	Fostering	S	Cancelled	
CS	4	HR Data from Schools	S	Cancelled at client's request.	
CS	4	Performance Mngt of SEN Specialist Service	F	Cancelled	
PPG	2	Community Strategy (<i>Community Plan</i>)	S	Issued 19/02/07	
PPG	2	Golden Thread	S	Issued 27/02/07	

Service	Original Quarter Planned	Title of Audit/Project	Job Type	Status	Additional Comments
PPG PPG	3 Ongoing	LPSA Claim (Probity audit) Partnership Arrangements 06/07	V P	Issued 12/01/07 TOR agreed & ongoing into 2007/08	
ENVIRONMENT: Environment & Transport, Planning & Environmental Protection, Housing and Strategic					
E&T	CF 2005/06	ECT Contract Monitoring	S	Issued 11/09/06	
E&T	CF 2005/06	Rechargeable Works & Other Income	S	Issued 16/10/06	
E&T	1	Green Spaces	S	Issued 22/12/06	
E&T	1 (2)	Grounds Maintenance follow-up	F	Issued 22/12/06	
E&T	1	Parking Unit Project follow-up	F	Issued 19/10/06	
E&T	2	Refuse Commercial: Trade Waste	S	DR stage	
E&T	2	Winter Maintenance	S	Issued 05/12/06	
E&T	3	Parking Control 06/07	KC	FW stage	
E&T	3	Parking Control 04/05 (completed January 06) follow-up	F	DR stage	
E&T	3	TMA 2004	S	DR stage	
E&T	4	Transport for London 05/06 follow-up	F	Issued 11/05/07	
E&T	4	Transport VOSA	R	DR stage	
E&T	4 (3)	Waste Prevention 2006/07 (<i>Waste Management</i>)	S	DR stage	
E&T	3 (1)	Public Transportation and Traffic Management	S	Deferred to Q1 2007/08	Deferred to Q3 07/08 as Local Implementation Plan not yet approved by TfL.
E&T	4	Income for Works & Services follow-up (<i>Rechargeable Works & Other Income</i>)	F	Deferred to Q1 2007/08	as 2005/06 audit not yet finalised.
E&T	4	Recycling (<i>ECT Contract Monitoring</i>) follow-up	F	Deferred to Q1 2007/08	Due to agreed action implementation dates.
E&T	4	Transport	S	Deferred to 2007/08; input will be on a project basis	Change in Strategy.
E&T	Closed	PFI Roads, Pavements & Streetlights 06/07	P	Closed as no further IA input required	
P&EP	1	Planning Service (further) follow-up	F	Issued 27/09/06	
P&EP	1	Works in Default	S	Issued 07/12/06	
P&EP	2	Regulatory Services follow-up	F	Issued 16/10/06	
P&EP	3	Building Control	S	FW stage	
P&EP	Closed (1)	Hendon Cemetery & Crematorium	P	Cancelled	After confirmation that service will remain in-house.
HSG	CF 2005/06	Housing Rents 05/06 (KC)	KS	Issued 16/10/06	
HSG	1	Barnet Homes Monitoring follow-up	F	Issued 11/01/07	
HSG	2	Decent Homes Investment Programme	S	Issued 09/01/07	
HSG	2	Home Ownership	S	DR stage	
HSG	2	Rent Deposit Schemes	KC	Issued 08/12/06	
HSG	3	Affordable Housing follow-up	F	Issued 25/01/07	

Service	Original Quarter Planned	Title of Audit/Project	Job Type	Status	Additional Comments
HSG	3	Housing Benefits 06/07	KS	DR stage	
HSG	3	Housing Benefits 05/06 follow-up	F	DR stage	
HSG	3 (2)	Private Sector Leasing (Hsg Needs and Resources)	R	Issued 28/03/07	
HSG	4 (3)	Housing Rents 05/06 follow-up	F	Issued 14/05/07	
HSG	Closed	Pericles: Housing Benefit 06/07	P	ML3 issued 04/07/06 (Conversion)	
HSG	3	Housing Revenue Account	S	Deferred to Q1 2007/08	IA quality review required the audit to be reperformed. Deferred from Q4 06/07 to Q2 07/08 as the new draft strategy has recently been produced.
HSG	4	Housing Strategy & Performance	S	Deferred to Q1 2007/08	
SDU	3	Leasehold Hardship Purchase Scheme	R	Issued 31/01/07	
SDU	3	Principle Development Agreement	S	Planning stage	
SDU	Closed	Cricklewood & Brent Cross Regeneration 06/07	P	Cancelled	Replaced by Principle Development Agreement audit
SDU	Closed	Grahame Park Regeneration 06/07	P	Cancelled	Replaced by Principle Development Agreement audit
SDU	Closed	Stonegrove Regeneration 06/07	P	Cancelled	Replaced by Principle Development Agreement audit
SDU	Closed	West Hendon Regeneration 06/07	P	Cancelled	Replaced by Principle Development Agreement audit
CONSULTATION & COMMUNICATIONS					
C&C	2	Consultation	S	Issued 14/11/06	
C&C	3	Content Management System follow-up	F	DR stage	

Internal Audit Performance Indicators 2006-7 @ 20.04.07

PI Ref	PERFORMANCE INDICATOR	TARGET 2006/07 (annual & cumulative)	Position at end of:			
			Q1 2006/07	Q2 2006/07	Q3 2006/07	Q4 2006/07
1	Percentage of 2006/07 audit plan completed compared to what was planned.	92% This is the combined figure for systems, follow-ups and projects.	2% complete or at draft report 23% at various stages of work in progress	16% complete or at draft report plus 29% at various stages of work in progress	37% complete or at draft report plus 34% at various stages of work in progress	84% complete or at draft report plus 16% at various stages of work in progress
2	Percentage of Audit reports followed up within 12 months of issue of final report	100%	0% complete or at draft report 8% at various stages of work in progress	13% complete or at draft report plus 25% at various stages of work in progress	33% complete or at draft report plus 36% at various stages of work in progress	93% complete or at draft report plus 7% at various stages of work in progress

Appendix D

Client Service	Audit Project	IIA Category					Total	Detailed Risk Analysis Annual Report 2006/07																								Total	Priority 1	Priority 2	Priority 3
		1	2	3	4	5		The Integrity of Information/data is unreliable.				Assets are not adequately safeguarded.					Resources not used economically or effectively					Non Compliance with Policies, Laws and Regulations.			Objectives & Goals not achieved.										
								1	2	3	4	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5				
Resources: Strategic Services	Attendance Management	2	0	0	1	0	3	0	1	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	3	0	3	0	
Resources: Strategic Services	Computer Misuse and the Law	1	0	1	2	0	4	0	1	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	4	0	4	0	
Resources: Strategic Services	06/07 EDRMS Project	0	2	3	0	0	5	0	0	0	0	2	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	5	1	4	0		
Resources: Strategic Services	Performance and Policy Cycle	0	0	8	0	0	8	0	0	0	0	0	0	0	0	0	0	0	1	0	0	7	0	0	0	0	0	0	0	8	0	7	1		
Resources: Shared Services	Council Tax 06/07	0	1	0	1	0	2	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	2	0		
Resources: Shared Services	Education Finance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Resources: Shared Services	E-mail	0	7	0	1	0	8	0	0	0	0	5	0	0	0	2	0	0	0	0	0	1	0	0	0	0	0	0	0	8	0	7	1		
Resources: Shared Services	NNDR Business Rate 06/07	2	0	0	0	0	2	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	2	0			
Resources: Shared Services	Physical and Environmental Security	0	3	0	1	0	4	0	0	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	1	3	0		
Resources: Shared Services	Service & Patch Management	1	1	0	2	0	4	0	0	1	0	0	0	0	0	1	0	0	0	0	0	2	0	0	0	0	0	0	0	4	0	2	2		
Communities: Adult Social Services	Income from Barnet PCT	0	0	5	2	0	7	0	0	0	0	0	0	0	0	0	0	5	0	0	0	2	0	0	0	0	0	0	7	2	5	0			
Communities: Adult Social Services	Learning Disabilities	1	0	6	1	1	9	0	0	0	1	0	0	0	0	0	0	0	0	0	1	5	1	0	0	0	1	0	9	2	7	0			
Communities: Children's Service	Development and Consultancy	0	0	3	1	0	4	0	0	0	0	0	0	0	0	0	0	1	0	0	2	1	0	0	0	0	0	0	4	0	4	0			
Communities: Children's Service	06/07 Integrated Children's Service	0	3	2	0	0	5	0	0	0	0	2	0	0	0	1	0	0	0	2	0	0	0	0	0	0	0	0	5	1	4	0			
Communities: Children's Service	06/07 Primary Schools Capital Programme	0	1	1	0	0	2	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	2	0	2	0			
Communities: Children's Service	Responsive: Early Years	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	1	1	0	0			
Communities: Children's Service	Schools Asset Management	0	1	1	0	0	2	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	2	0	2	0			
Communities: Children's Service	Stock Procurement: Libraries	2	0	0	1	0	3	1	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	3	0	2	1			
Communities: Policy & Partnerships Group	Community Strategy	0	0	1	4	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	4	0	0	0	0	0	5	0	5	0			
Communities: Policy & Partnerships Group	Golden Thread	0	0	0	6	3	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6	0	0	0	2	1	0	9	0	7	2		
Env & Regeneration: Planning & Environmental Protection	Works in Default	1	0	4	3	1	9	0	1	0	0	0	0	0	0	0	3	0	0	1	3	0	0	0	0	0	0	1	9	0	8	1			
Env & Regeneration: Environment & Transport	Greenspaces	2	0	4	3	3	12	2	0	0	0	0	0	0	0	0	2	0	0	2	3	0	0	0	0	3	0	0	12	0	12	0			
Env & Regeneration: Environment & Transport	Winter Maintenance	0	0	1	1	2	4	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	1	1	0	4	0	4	0			
Env & Regeneration: Housing	Decent Homes Programme	1	0	2	1	3	7	1	0	0	0	0	0	0	0	0	0	0	0	2	1	0	0	0	0	3	0	0	7	0	7	0			
Env & Regeneration: Housing	Private Sector Leasing	5	2	1	3	1	12	5	0	0	0	0	0	0	2	0	0	0	0	1	3	0	0	0	0	0	1	0	12	5	7	0			
Env & Regeneration: Housing	Rent Deposit Schemes (KC)	2	3	1	2	2	10	1	1	0	0	1	0	0	1	0	0	0	0	1	2	0	0	0	0	1	1	0	10	5	5	0			
Communications & Consultation	Consultation	3	0	1	0	3	7	0	1	1	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	1	1	7	3	4	0		
Corporate Governance	Business Continuity	2	0	2	2	3	9	1	0	1	0	0	0	0	0	0	0	0	0	0	2	2	0	0	2	0	1	0	9	6	3	0			
Corporate Governance	Emergency Planning	0	0	1	0	4	5	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	2	1	1	5	1	4	0				
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
TOTALS		25	24	48	38	27	162	12	5	5	3	11	1	1	3	8	1	12	0	7	28	38	0	0	2	15	7	3	162	28	126	8			
																										% of total	17%	78%	5%						