

**AGENDA ITEM: 6**

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|-----------|--|
| Meeting   | Audit Committee  |
| Date      | 5 December 2007  |
| Subject   | <b>Internal Audit Interim Annual Report 2007-8</b>   |
| Report of | Head of Internal Audit and Ethical Governance  |
| Summary   | The Committee is asked to note the 2007-8 Interim Internal Audit Annual Report and appendices. |

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|   |   |
|---|---|
| Officer Contributors  | Michael Bradley, Head of Internal Audit and Ethical Governance  |
| Status (public or exempt)   | Public  |
| Wards affected  | N/A   |
| Enclosures  | <b>Appendix A:</b> 2007/8 Internal Audit Annual Report<br><b>Appendix B:</b> 2007/8 Internal Audit Annual Audit Plan Update<br><b>Appendix C:</b> 2007/8 Internal Audit Performance Indicators<br><b>Appendix D:</b> 2007/8 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 2007/8.
- 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 Interim Annual Report 2007/8 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 2007/8 (for work that has not previously been reported in the 2006/7 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/or finalised with clients as at 10 November 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:

- Objectives / goals not being achieved (**39** instances out of a total of **148** reported risks).

Findings here reflect risks that may impact on the likelihood of objectives being met efficiently, effectively and economically.

- Either no or inadequate policies and procedures (**35** instances out of a total **148** 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.

- Resources not used economically or effectively (**33** instances out of a total **148** reported risks made).

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 20% 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 80% 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 22 follow-ups conducted in the report period are detailed below. Whilst it is encouraging that 13 of the areas are now at 'satisfactory' level of assurance, it needs to be noted that 8 remain at 'limited' or 'no' assurance indicating that further management action is required to fully implement agreed actions or mitigate identified risks.

| <b>Analysis of Assurance Levels on Follow-up</b>   | <b>No.</b> |
|--|------------|
| Satisfactory assurance still satisfactory assurance  | <b>5</b>   |
| No or limited assurance to satisfactory assurance  | <b>8</b>   |
| Limited assurance, still limited assurance   | <b>5</b>   |
| No assurance to limited assurance  | <b>2</b>   |
| No assurance and still no assurance  | <b>1</b>   |
| Limited to not applicable (E-government agenda is no longer running, therefore actions are no longer applicable) | <b>1</b>   |
|  |            |
| <b>Total</b>   | <b>22</b>  |

#### Corporate Governance and Risk Management

##### Corporate Governance

- 9.8 We have just completed a full review of corporate governance arrangements. As at 15 November 2007, the report is still awaiting finalisation. However, it is likely that the audit will report a 'satisfactory' level of assurance. The audit compared the Council's corporate governance arrangements against the revised CIPFA Solace framework, Delivering Good Governance in Local Government: Framework that was issued in July 2007. Although there were gaps with regard to partnership arrangements, we were satisfied that there is work underway to address these.

##### Risk Management

- 9.9 An audit of the risk management function was finalised in September 2007. The final report provided satisfactory assurance that the development of corporate risk management is progressing adequately. While there was some non-compliance and poor practice in services, the agreed management actions to address the findings and associated risks reported below will further improve this situation.

### Customer Evaluation Questionnaires

- 9.10 The Audit Committee at the meeting on 20 March 2006 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 three years is summarised below:

#### 2005/06

42 questionnaires sent; 26 questionnaires returned (62%). An average score of **2.6** was achieved where 1 = excellent; 2 = highly effective; 3 = perfectly satisfactory; 4 = not quite good enough and 5 = unacceptable.

#### 2006/07 (ongoing)

47 questionnaires sent to date; 35 questionnaires returned to date (74%). An average score of **2.5** was achieved.

#### 2007/08 (ongoing)

3 questionnaires sent to date; 3 questionnaires returned to date. An average score of **1.3** was achieved.

### Internal Audit performance Management

- 9.11 Appendix B describes the changes the original audit plan. The report shows reviews that are deferred, cancelled or newly commissioned with relevant reasons for the changes. Appendix C gives the position against the Internal Audit unit's performance indicators (PIs).

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 None.

Legal – JEL  
CFO – MB

**Internal Audit  
Interim Annual Report  
2007-08  
DRAFT**

# INDEX

## INTERNAL AUDIT ACTIVITY SUMMARIES BY DIRECTORATE

- 1      Resources**
- 2      Communities**
  - **Adult Social Services**
  - **Children's Service**
- 3      Environment and Regeneration**
  - **Environment and Transport**
  - **Planning and Environment Protection**
- 4      Communications and Consultation**
- 5      Corporate Governance**

## AUDIT REPORT SUMMARIES FOR HIGH RISK AREAS

- Resources**
- A1      Registrars**
- Communities**
- A2      Income and Assessment Project**
- Environment and Transport**
- A3      Transport Policy and Procedures (VOSA)**
- Communications and Consultation**
- Corporate Governance**
- A4      Money Laundering**
- A5      Graffiti (Prevention, Education & Enforcement)**

## Internal Audit Activity Summary: Resources

### Audit Reports: Risks Identified

| Service   | System                             | Priority 1 | Priority 2 | Assurance    |
|-----------|------------------------------------|------------|------------|--------------|
| ST SERV   | Stock Systems 06/07 (KS/KC)        | 1          | 2          | Limited      |
| ST SERV   | Safer Recruitment 06/07            | 1          | 11         | Limited      |
| ST SERV   | Property Asset Management          | 0          | 11         | Limited      |
| ST SERV   | Budgetary Control                  | 1          | 6          | Limited      |
| SH SERV   | Accounts Rec: Inc Debt Mgt (KS/KC) | 2          | 1          | Limited      |
| SH SERV   | Accounts Payable: Payments (KS/KC) | 0          | 1          | Satisfactory |
| SH SERV   | Central Contract Monitoring        | 0          | 7          | Limited      |
| SH SERV   | Cashbook Reconciliation 07/08(KS)  | 2          | 4          | No Assurance |
| SH SERV   | Risk Management                    | 0          | 3          | Satisfactory |
| OD & CSER | Registrars                         | 4          | 11         | No Assurance |

### Follow-up Reports: Risks Mitigated

| Service | System                                    | Priority 1<br>Y P N | Priority 2<br>Y P N | Assurance of<br>Original Audit | Assurance<br>on Follow-up  |
|---------|---|---------------------|---------------------|--------------------------------|--|
| ST SERV | e-Government 04/05 fw-up                  | 0 0 0               | 0 0 5               | Limited                        | The E-Government agenda is no longer running therefore actions are no longer applicable. |
| ST SERV | IS Development Review 05/06 fw-up         | 0 0 1               | 1 0 2               | Limited                        | Limited  |
| ST SERV | IS/IT Strategy 05/06 fw-up                | 0 0 2               | 0 0 1               | Limited                        | Limited  |
| ST SERV | EDRMS 06/07 (P) fw-up                     | 0 1 0               | 0 1 3               | Limited                        | Limited  |
| SH SERV | Payroll 05/06 fw-up                       | 1 1 0               | 7 5 0               | No Assurance                   | Satisfactory   |
| SH SERV | e-mail 06/07 fw-up                        | 0 0 0               | 1 1 5               | Limited                        | Limited  |
| SH SERV | MCS Phase 2 Management Letter 2 fw-up     | 3 2 0               | 2 0 0               | Limited                        | Satisfactory   |
| SH SERV | Debt Mngt/Debtors 05/06 fw-up             | 1 1 0               | 2 0 0               | No Assurance                   | Limited  |
| SH SERV | Creditors (Payment) 05/06 fw-up           | 0 0 0               | 4 3 2               | Satisfactory                   | Satisfactory   |
| SH SERV | Cashbook Reconciliation 07/08(KS) - Draft | 1 1 0               | 2 1 1               | No Assurance                   | Satisfactory   |
| SH SERV | P-Cards fw-up                             | 0 3 0               | 2 2 0               | Limited                        | Satisfactory   |

### Other Audit Work:

| Service | System                 | Type of Work      | Assurance    |
|---------|------------------------|-------------------|--------------|
| ST SERV | EDRM (P) 07/08         | Management Letter | Limited      |
| ST SERV | Milly Apthorpe 2007/08 | Probity Audit     | Satisfactory |

### Key

**Y** Mitigated  
**P** Partially Mitigated  
**N** Not Mitigated



## Internal Audit Activity Summary: Communities

### Audit Reports: Risks Identified

| Service | System                                       | Priority 1 | Priority 2 | Assurance    |
|---------|--|------------|------------|--------------|
| CS      | SEN Budget and Contract                      | 0          | 6          | Limited      |
| CS      | Management Information in Youth Service      | 0          | 4          | Limited      |
| CS      | ICS (Integrated Children's System) 07-08 (P) | 0          | 1          | Limited      |
| ASSD    | Income and Assessment Review 07-08 (P)       | 3          | 5          | No Assurance |

### Follow-up Reports: Risks Mitigated

| Service | System   | Priority 1<br>Y P N | Priority 2<br>Y P N | Assurance of<br>Original Audit | Assurance<br>on Follow-up |
|---------|--|---------------------|---------------------|--------------------------------|---------------------------|
| CS      | Development & Consultancy 06-07 fw-up              | 0 0 0               | 4 0 0               | Satisfactory                   | Satisfactory              |
| CS      | ICS (Integrated Children's System) 07-08 (P) fw-up | 0 0 0               | 1 0 0               | Limited                        | Satisfactory              |
| CS      | Primary Schls Capital Programme 06/07 (P) fw-up    | 0 0 0               | 1 1 0               | Satisfactory                   | Satisfactory              |

### Other Audit Work:

| Service | System                                       | Type of Work      | Assurance    |
|---------|--|-------------------|--------------|
| CS      | Primary Schools Capital Investment Programme | Management Letter | Satisfactory |

### Key

|  |
|--|
| <b>Y</b> Mitigated<br><b>P</b> Partially Mitigated<br><b>N</b> Not Mitigated |
|--|

## Internal Audit Activity Summary: Environment and Transport

### Audit Reports: Risks Identified

| Service | System                                 | Priority 1 | Priority 2 | Assurance    |
|---------|--|------------|------------|--------------|
| E&T     | Parking Control 06/07 (KS)             | 0          | 8          | Limited      |
| E&T     | Commercial Waste Service               | 0          | 1          | Satisfactory |
| E&T     | Traffic Management Act (TMA) 2004      | 0          | 5          | Satisfactory |
| E&T     | Waste Prevention 06/07                 | 2          | 5          | Limited      |
| E&T     | Transport Policy and Procedures (VOSA) | 3          | 5          | No Assurance |
| HGS     | Home Ownership                         | 1          | 2          | Limited      |
| HGS     | Housing Benefits 06/07 (KS)            | 1          | 4          | Limited      |
| P&EP    | Hendon Cemetery & Crematorium 07/08    | 0          | 2          | Satisfactory |
| P&EP    | Building Control                       | 0          | 6          | Satisfactory |

### Follow-up Reports: Risks Mitigated

| Service | System  | Priority 1 |   |   | Priority 2 |   |   | Assurance of Original Audit | Assurance on Follow-up |
|---------|---|------------|---|---|------------|---|---|-----------------------------|------------------------|
|         |   | Y          | P | N | Y          | P | N |                             |                        |
| E&T     | ECT Contract Monitoring 05/06 fw-up           | 2          | 0 | 0 | 3          | 0 | 0 | Limited                     | Satisfactory           |
| E&T     | Green Spaces & Ground Maintenance 06/07 fw-up | 0          | 0 | 0 | 4          | 3 | 5 | Limited                     | Limited                |
| E&T     | Winter Maintenance 06/07 fw-up                | 0          | 0 | 0 | 1          | 3 | 0 | Satisfactory                | Satisfactory           |
| E&T     | Parking Control 04/05 fw-up                   | 0          | 3 | 1 | 4          | 3 | 1 | No Assurance                | Limited                |
| HSG     | Rent Deposit Schemes 06/07 fw-up              | 1          | 2 | 2 | 0          | 1 | 4 | No Assurance                | No Assurance           |
| HGS     | Housing Rents 05/06 (further) fw-up           | 0          | 0 | 0 | 2          | 1 | 1 | Limited                     | Satisfactory           |
| HGS     | Housing Benefits 05/06 fw-up                  | 0          | 0 | 0 | 2          | 1 | 0 | Satisfactory                | Satisfactory           |

\* A separate report on this audit has been prepared by the Head of Service and Head of IA & EG for the Audit Committee.

### Key

Y Mitigated  
P Partially Mitigated  
N Not Mitigated

**Internal Audit Activity Summary: Communications and Consultation****Audit Reports: Risks Identified**

| <b>Service</b> | <b>System</b>          | <b>Priority 1</b> | <b>Priority 2</b> | <b>Assurance</b>    |
|----------------|------------------------|-------------------|-------------------|---------------------|
| COM            | Web Content Management | 0                 | 3                 | <b>Satisfactory</b> |

**Key**

|  |
|--|
| <b>Y</b> Mitigated<br><b>P</b> Partially Mitigated<br><b>N</b> Not Mitigated |
|--|

## Internal Audit Activity Summary: Corporate Governance

### Audit Reports: Risks Identified

| Service | System   | Priority 1 | Priority 2 | Assurance    |
|---------|--|------------|------------|--------------|
| CPG     | Money Laundering 06/07                         | 4          | 1          | No Assurance |
| CPG     | Graffiti (Prevention, Education & Enforcement) | 5          | 1          | No Assurance |
| CPG     | Municipal Elections                            | 0          | 1          | Full         |

\*

### Follow-up Reports: Risks Mitigated

| Service | System                                 | Priority 1 |   |   | Priority 2 |   |   | Assurance of Original Audit | Assurance on Follow-up |
|---------|--|------------|---|---|------------|---|---|-----------------------------|------------------------|
|         |  | Y          | P | N | Y          | P | N |                             |                        |
| IA      | Freedom of Information (further) fw-up | 1          | 1 | 0 | 5          | 1 | 2 | Limited                     | Satisfactory           |

\* Municipal Elections audit includes the follow-up on the guidance and advice risks reported for the General Elections audit.

### Key

Y Mitigated  
P Partially Mitigated  
N Not Mitigated

| Service Area                  | Issue Date | Assurance    | Follow-up Date |
|-------------------------------|------------|--------------|----------------|
| Org Dev't & Customer Services | 27/09/2007 | No Assurance | Q3 2007/08     |

## Report Title

Registrars

### 1 Objective of System

- 1.1 A review of Registrars Service was undertaken at the request of the Assistant Director of Organisational Change and Customer Care. The objective of Registrar's is to provide an efficient customer focussed, legally compliant, and modern service to customers, safely and securely, while attaining value for money and at the same time improving avenues of income for the council. This review focused primarily on processes at Burnt Oak office

### 2 Scope of Audit

- 2.1 Sales and Income – fees & charges; income generation; financial controls;  
 2.2 Protection – compliance with legislations / rules; document validation (training); data protection and business continuity;  
 2.3 Performance management – arrangements; targets; monitoring; budgetary control;  
 2.4 Asset safety – security of data; information; cash; assets including access controls, and  
 2.5 Risk management – risk register; reviews and mitigation.

### 3 Executive Summary

- 3.1 Internal Audit can provide **no assurance** that the objective is being achieved effectively and efficiently.
- 3.2 The details of findings and associated risks have been reported in section 3 of the main body of the report which includes risks identified the following key areas:
- Irregular and possibly fraudulent payments of allowances to Registrars outside the formalised arrangements;  
 Risk of error irregularity and fraud from lack of adequate division of duties;  
 Ineffective service delivery due to lack of adequate risk management arrangements, and  
 Risk of error, irregularity and possibly fraud as receipts are not issued for income, and income not promptly recorded in all instances.

### 4 Risks

|   | Priority 1: | Priority 2: |
|---|-------------|-------------|
| 4.1 Number of risks identified  | 4           | 11          |
| 4.2 Number of actions agreed  | 4           | 11          |
| 4.3 <b>Priority 1 risks</b>   |             |             |
| <ul style="list-style-type: none"> <li><b>Effective Certification Process</b><br/>In absence of an effective certification process for out of hour's claims, which incorporates separation of duties, there is risk of irregular payments, as well as possibly fraudulent payments, outside the formalised arrangements.</li> </ul> |             |             |

**Management action: Current arrangements for every activity will be documented to include a schedule of all fees charged, amounts claimable by registrars staff, arrangements for allocating staff and details of timing/scheduling of ceremonies.**

- **Risk management arrangements**

Without effective risk management arrangements, there is a risk that the service objectives will not be achieved effectively.

**Management action: Full training will be arranged to cover:**

- **identification of risks**
  - **recording of risks**
  - **identification of mitigating actions**
  - **monitoring of ongoing risks**
- business continuity/disaster recovery**

**A full risk management review will be undertaken for the Registrars service.**

- **Division of Duties**

Without effective division of duties, where no one individual undertakes a complete transaction from start to finish, there is a risk of error, irregularity and fraud.

**Management Action: A full review of all end to end processes within the service will be undertaken to identify potential control weaknesses. This will also be informed by the findings of the IA report. The Registrar regulations will be reviewed to identify the specific responsibilities of Registrars as statutory officers and their accountability. Based on the above two actions, the scope for dividing duties to enhance control without compromising the statutory responsibilities of staff will be identified and implemented.**

- **Cash Receipts**

Without issuing official receipts and updating cash sheet promptly effective reconciliation is hindered and therefore there is risk of error, irregularity and fraud.

**Management Action: Head of Strategic Finance to review processes and controls operating within the service and develop action plan.**

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

5.1 The Registrars Service moved from Corporate Governance to the Organisational Development & Customer Services division of Resources in December 2006. The Assistant Director of OD & CS asked Internal Audit to undertake a full review of procedures in Registrars following issues identified from work to integrate the service with the division and Resources more generally. A restructure was initiated to align Registrars with the Council's Customer Access Strategy and to address major changes to governance and employment arrangements to all Registrars Services across the country. Following the conclusion of the IA review, the restructure was suspended to address the review's outcomes. The outcomes and actions have now been factored into a revised and restarted restructure process. Short term control improvements have been put in place under close and constructive liaison with Internal Audit. A full review of the processes for the delivery of each element of the service has been completed and measures to address the identified control weaknesses have been formulated.

These will be implemented alongside the service restructure and introduction of IS solutions. Training around financial management, risk management and performance management has also been provided to the staff. Advice has been sought from General Registrars Office throughout the review to ensure compliance with the required regulations and standards. This is particularly important to note in light of the statutory nature of some of the activities and services undertaken and the attendant complexity of some of the lines of accountability and responsibility to bodies outside of the Council.

| Service Area          | Issue Date | Assurance    | Follow-up Date |
|-----------------------|------------|--------------|----------------|
| Adult Social Services | 06/07/2007 | No Assurance | Q3 2007/08     |

## Report Title

Income and Assessment Project

## 1 Objective of System

- 1.1 To maximise the Council's income by charging the appropriate sums for services delivered and to re-design the existing business processes.

## 2 Scope of Audit

- 2.1 Project governance structures
- 2.2 Risk Management - an assessment of the identification, evaluation and treatment of the project risks, including for the three work-streams
- 2.3 Project Progress - monitoring achievement of delivery against agreed timescales/milestones;
- 2.4 Issues Management
- 2.5 Project Costs
- 2.6 Project Benefits
- 2.7 Project Filing Structure

## 3 Executive Summary

- 3.1 Internal Audit at this stage can provide no assurance on the project governance arrangements and this could impact on the business objectives of the review being achieved effectively.
- 3.2
- Project governance structures are in place to identify and address project issues. However, key project governance arrangements need to be strengthened – it is noted that the appointed project manager is no longer managing the project and the project sponsor is reviewing the placement of a new project manager.
  - Risk management process exists at the board level, but not for the three work-streams.
  - Processes exists to monitor deliverables of the project against the agreed time frames, however this is no reported to the Board for the individual work-streams e.g. through highlight reports.
  - Although issues are raised at the project board, these are not formally captured within an issues log.
  - There is no agreed budget for the project and no process to monitor the project costs.
  - Various benefits had been specified in the Project Initiation Document, but these have not been quantified in measurable terms where appropriate.
  - A project filing structure for keeping track of all the information produced for the project has not been formalised.

## 4 Risks

|  | Priority 1: | Priority 2: |
|--|-------------|-------------|
| 4.1 Number of risks identified   | 3           | 5           |
| 4.2 Number of actions agreed   | 3           | 5           |
| 4.3 <b>Priority 1 risks</b>  |             |             |
| <ul style="list-style-type: none"> <li> <b>Risk Management - An assessment of the identification, evaluation and treatment of the major project risks:</b><br/>           Failure to identify, monitor and manage significant strategic and operational risks could lead to a failure to implement or deliver the project or components of the project effectively.<br/><br/> <b>Management Response (Assistant Director, Performance &amp; Strategy – Adult Social Services):</b><br/> <i>“The project is on hold for the immediate future, whilst we restructure it and re-launch it. This is a high risk project that needs both time and expert management. As a result of all of this, I am looking to recruit an interim manager to manage the Assessment &amp; Income function and the overall project which will be re-shaped. As soon as we are able to re-launch the project we will make sure that the new Project Manager is equipped to respond to the areas you have raised in your letter”.</i> </li> <li> <b>Monitoring achievement of delivery against agreed timescales/milestones:</b> Without a highlight report, there is a risk that the Project Board may not take appropriate action to prevent key deliverables of the project slipping against the agreed timeframe. This could have a material impact on the successful delivery of the project, resulting in unnecessary project delays and costs, especially in relation to project activities on a critical path and leading ultimately to delayed delivery of the project objectives and outcomes.<br/><br/> <b>Management Response: As noted above.</b> </li> <li> <b>Assessment of Project Costs and financial control:</b> <ol style="list-style-type: none"> <li>Unnecessary/avoidable project expenditure not curtailed where necessary;</li> <li>Unauthorised / Invalid project expenditure;</li> <li>Incorrect decisions taken around funding requirements.</li> <li>Project outcomes potentially in jeopardy due to lack of funding.</li> </ol> <b>Management Response: As noted above.</b> </li> </ul> |             |             |

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

- 5.1 This project was put on hold in June 2007 following several key changes in personnel. Several options for secondments and interim project managers were pursued unsuccessfully. An interim manager has been appointed and took up post in October. The project is now ready to be re-launched with the Board reconvening in mid November. The forward plan for this project addresses the issues identified in the audit. An internal auditor sits on the project Board and is contributing to the governance of this important area of work which is a high priority for Adult Social Services.



| Service Area              | Issue Date | Assurance    | Follow-up Date |
|---------------------------|------------|--------------|----------------|
| Environment and Transport | 06/07/2007 | No Assurance | Q1 2008/09     |

## Report Title

Transport Policy and Procedures (VOSA)

## 1 Objective of System

- 1.1 The objective of transport services is to provide an efficient and economic service to end users within a framework of procedures that are compliant with transport regulations.

## 2 Scope of Audit

- 2.1 Audit reviewed the framework of procedures to ensure compliance with Transport Regulations in the following key areas:
- Transport Policy
  - Operators Licenence conditions
  - SLA with service areas
  - Drivers handbook
  - Induction and training
  - Checking, Monitoring and testing compliance
  - Performance monitoring

## 3 Executive Summary

- 3.1 Audit can provide no assurance at this stage that the current processes meet the objective of ensuring compliance with transport regulations.
- 3.2 Control weaknesses have been identified from slippages in the standard of compliance and lack of effective business processes in the following key areas:
- Drivers Licence recording and checking procedures not robust.
  - No effective processes to prevent overloading of vehicles.
  - Procedures for ensuring compliance with Drivers Hours Regulations to effective.

## 4 Risks

|   | Priority 1: | Priority 2: |
|---|-------------|-------------|
| 4.1 Number of risks identified  | 3           | 5           |
| 4.2 Number of actions agreed  | 3           | 5           |
| <b>4.3 Priority 1 risks</b>   |             |             |
| <ul style="list-style-type: none"> <li> <b>Drivers Licences:</b> There may be non-compliance with the Transport regulations and Council policy and procedures resulting from Council's vehicles, particularly those over 3.5 tonne GVW, being driven by unqualified drivers or those with inappropriate licences.<br/> <b>Management Action:</b> <i>Transport Services have developed and commission on 29 March 2007 a Drivers' Licence, assessment and training database for all fleet drivers to record licences held, including category of licences and changes to licences, replacing the spreadsheet system previously used. In addition this system will issue expiry date remainders, report non compliances and training due reminders.</i> </li> <li> <b>Overloading:</b> There is a risk that vehicles may not be compliant with the Transport regulations.<br/> <b>Management Action:</b> <i>We are currently regularly recording over-loading data for vehicles particularly Refuse vehicles and tipper trucks. We will implement a reporting process for overloading incidents to be reported routinely to supervisors and ESM transport. We will review overloading reports for a period for making an assessment of the extent of overloading across the relevant services. We will implement preventative processes including processes to inform the driver of breach at the point of overloading. We will implement procedures to ensure that instances of non-compliance with the transport policy, drivers handbook and regulations are communicated to the supervisors concerned for corrective actions and reported to senior management.</i> </li> <li> <b>Drivers Hours regulations:</b> There is a risk there may be non-compliance with the Drivers Hours regulations.<br/> <b>Management Action:</b> <i>We will ensure that service managers, supervisors and drivers are aware of their responsibilities in regards to driver's hours regulations and ensure compliance through an ongoing training plan, which will be monitored and reviewed.</i> </li> </ul> |             |             |

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

- 5.1 As ever E&T managers have taken serious regard to these findings and acted promptly to instigate new proceduress and improvements including calling in expert external support to brief colleagues and assist in the new procedures being embedded. The service has acted swiftly in responding to issues rasied and revised procedures introduced such that i feel that a limited assurance is more appropriate whilst the improvements are settled in, i believe this is confirmed by the green light rating we have from VOSA. i look forward to a check back on implementation.

**Service Area****Issue Date****Assurance****Follow-up Date**

|                            |
|----------------------------|
| Community Protection Group |
|----------------------------|

|            |
|------------|
| 29/05/2007 |
|------------|

|                     |
|---------------------|
| <b>No Assurance</b> |
|---------------------|

|            |
|------------|
| Q3 2007/08 |
|------------|

**Report Title**

|                  |
|------------------|
| Money Laundering |
|------------------|

**1 Objective of System**

- |  |
|--|
| <p>1.1 The Council's objective is to be alert to the possibility that it may become the subject of an attempt to involve it in a transaction of money laundering. Although the Council has no statutory responsibility, in keeping with best practice, the Council has identified a dedicated Money Laundering Reporting Officer (MLRO), a role held by the Deputy Director of Corporate Governance.</p> |
|--|

**2 Scope of Audit**

- |  |
|--|
| <p>2.1 Compliance<br/>2.2 Roles and responsibilities<br/>2.3 Procedures<br/>2.4 Monitoring and reporting</p> |
|--|

**3 Executive Summary**

- |  |
|--|
| <p>3.1 Internal Audit can provide <b>no assurance</b> that the objective is being achieved effectively and efficiently.</p> <p>3.2 The detailed findings and associated risks have been reported in section 3 of the main body of the report, which include the following areas:</p> <ul style="list-style-type: none"><li>- Anti-Money Laundering Policy;</li><li>- Awareness and training to members, officers and staff to recognise transactions that may indicate money laundering;</li><li>- Written council-wide procedures, such as verifying the identity of new clients and keeping records of evidence obtained; record keeping; reporting suspicions; investigation procedures and related Internal controls, and</li><li>- Written procedures for reporting any suspicious transactions to the Serious Organised Crime Agency (SOCA) through the MLRO</li></ul> |
|--|

## 4 Risks

|   | Priority 1: | Priority 2: |
|---|-------------|-------------|
| 4.1 Number of risks identified  | 4           | 1           |
| 4.2 Number of actions agreed  | 4           | 1           |
| 4.3 <b>Priority 1 risks</b>   |             |             |
| <ul style="list-style-type: none"> <li> <b>Council Policy:</b> In the absence of an approved Council Policy on Money Laundering including a cash limit policy, with an implementation plan which is monitored, it may not be possible to forestall and prevent money laundering and be compliant with the regulations. </li> </ul>  |             |             |
| <b>Management Action:</b>   |             |             |
| <i>1. We will produce a policy for endorsement from members based on an assessment of the implications of Money Laundering regulations on the Council and relevant CIPFA recommendations, including the cash limit policy and identification of a nominated Deputy Money Laundering Officer.</i>  |             |             |
| <i>2. Agree the approach and actions to be taken by the Council in response to the legislation and CIPFA guidance.</i>  |             |             |
| <i>3. We will ensure that the Council's partners are made aware of the policy and are encouraged to support the approach.</i>   |             |             |
| <i>4. In order to increase accessibility, we will publish the policy, procedures and guidance on the Council's internet and intranet.</i>   |             |             |
| <ul style="list-style-type: none"> <li> <b>Vulnerable areas:</b> Exposure to the actual risk of the Council handling laundered money and reputational risk of the council being associated with entities dealing in Anti-Money Laundering operations will not be reduced without implementing the recommendations of the external consultant and identifying all vulnerable areas across the council. </li> </ul> |             |             |
| <b>Management Action:</b>   |             |             |
| <i>We will agree a work plan for implementing the recommendations of the external consultant in the Resources Directorate. In liaison with services we will identify areas within their portfolio which are potentially at high risk, and nominate individual officers for targeted training.</i>   |             |             |
| <ul style="list-style-type: none"> <li> <b>Training:</b> Without appropriate awareness and training, officers and staff most likely to be exposed to or suspicious of money laundering situations may not aware of the requirement and obligations of the regulations and Members may not be aware of the Council's responsibilities. </li> </ul>   |             |             |
| <b>Management Action:</b>   |             |             |
| <i>We will produce a training plan proposal to provide awareness training to Councillors and offices as well as targeted training to Cashiers, Treasury management and other identified front line staff. We will monitor the effectiveness of training provided.</i>   |             |             |
| <ul style="list-style-type: none"> <li> <b>Procedures:</b> Risk of non-compliance in the absence of arrangements both centrally and at service level to inform, receive and manage concerns of staff and their suspicions of an offence, making internal enquires and reporting where necessary to SOCA and making arrangements for partner organisations to be aware. </li> </ul>                                |             |             |

**Management Action:**

***While the ultimate responsibility rests with the MLRO, we will produce and approve procedures and processes that will be adopted by Service areas, with referrals made upwards only as necessary.***

***These would include***

- identification procedures (SI 2003/3075 Money Laundering Regulations, 4 & 5);***
- record keeping procedures (Money Laundering Regulation 6); Internal reporting procedures (Money Laundering Regulation 7)***
- and other procedures (Money Laundering Regulation 3(b) such as adequate Internal controls; procedures for carrying out investigations; reporting to SOCA; and procedures for making partner organisations aware and supportive of the Council's approved policy.***

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

- 5.1 All of the risks identified during the audit have been accepted and addressed in the action plan agreed on conclusion of the audit. I expect the assurance statement to improve significantly when the follow up audit work has been completed.

| Service Area               | Issue Date  | Assurance           | Follow-up Date |
|----------------------------|-------------|---------------------|----------------|
| Community Protection Group | 19//10/2007 | <b>No Assurance</b> | Q2 2008/2009   |

## Report Title

Graffiti (Prevention, Education & Enforcement)

### 1 Objective of System

1.1 No clear objectives could be established for the service at the planning stage of the audit.

### 2 Scope of Audit

- 2.1 Strategy / Policy
- 2.2 Procedures
- 2.3 Roles and responsibilities
- 2.4 Budgetary Control and Financial Management
- 2.5 Co-ordination of Service Delivery
- 2.6 Information and Performance management
- 2.7 Complaints
- 2.8 Service User information and Community Engagement
- 2.7 Customer Consultation

### 3 Executive Summary

3.1 Internal Audit can give **no assurance** that the current arrangements on graffiti within the Corporate Governance Directorate (Community Protection Group) will effectively and efficiently contribute to the corporate priority on 'Clean, Green and Safe'

### 3.2 Community Protection Group – Service Delivery Plan

It was confirmed that there is no:

- clear service objective in relation to Corporate Governance's responsibility for graffiti. However, the current graffiti team (within the Environment and Transport Directorate) is responsible for meeting the Council's Clean, Green and Safe priorities, by ensuring the removal of graffiti, thereby reducing the fear of crime, keeping the streets clean and improve the quality of life for residents in the borough.
- formal service delivery plan within the Directorate which sets out how the service will contribute and support the:
  - main tasks as outlined in the Delegated Powers Report dated 4 January 2007;
  - requirements of the Graffiti Policy dated October 2006;
  - Council's Clean, Green and Safe priorities;
  - other key strategies e.g. Clean Borough Strategy, Sustainable Community Strategy, and Safer Communities in Barnet.
- clear strategy to:
  - co-ordinate and support the key aims and objectives of the service/ council;
  - establish which service should drive the management of, and response to, graffiti related issues;
  - meet any established targets to remove graffiti, and
  - plan for resources and form a clear vision for the service.

### 3.3 Roles and Responsibilities

Following the transfer of the commissioning and managing response to crime aspects of the service, there have been discussions between the Director of Environment and Transport and the Deputy Director of Corporate Governance on the proposed new arrangements. However, there is no formal document which clearly sets out respective officer roles and clear responsibilities for the operational activities of the Community Protection Group and Environment & Transport, to ensure there is no overlap or missing key elements of the Graffiti

### 3.4 Partnership Agreements and Enforcement

Graffiti needs to be tackled in a comprehensive way, together with other partners and Barnet House. As part of the Barnet Clean Borough Strategy, there is an Anti-Graffiti Charter, which aims to operate in conjunction with partner organisations to improving the streetscene and physical environment of the borough. Each partner, as signatory to the charter, will arrange to clean graffiti from their respective properties and/ or infrastructure within the agreed

### 3.5 Partnership Agreements and Enforcement

From 1st April 2006, the Anti-social Behaviour Act 2003 (Sections 48-52) gave local authorities the power to serve graffiti removal notices on certain companies responsible for the surface where graffiti had appeared. The notice gives a minimum of 28 days for the removal of the graffiti. If after that time, it has not been removed the local authority can remove it and can recover its costs.

Utility companies and the transport operators have been approached regarding the removal of graffiti from their equipment and property. To date, the response has been limited and no notices have been served. As a result, in 2006-07 Barnet Council had removed 851 sq m of graffiti from green boxes, phone boxes and bus shelters across the borough. At the 2006/07 graffiti removal charges (£35.00 per sq m) this would amount to £29,785.

**3.6 Information and Performance Management**

There are three local indicators and one BVPI, which are all linked to the operational activities within Environment and Transport, but these are not linked directly to the service under the Community Protection Group.

Intelligence information is collected on the removal of graffiti as required by the current policy and this is reported to FirstStat as appropriate. However, the removal of graffiti by Barnet Homes, despite request for this information and that cleared by utilities is not being reported to provide an overall picture of the level of graffiti across the borough and as excepted under BVPI 199.



## 4 Risks

|                                | Priority 1: | Priority 2: |
|--------------------------------|-------------|-------------|
| 4.1 Number of risks identified | 5           | 1           |
| 4.2 Number of actions agreed   | 5           | 1           |

### 4.3 Priority 1 risks

- **Community Protection Group – Service Delivery Plan**

In the absence of a clear objective for the Community Protection Group for dealing with graffiti under the revised structure, staff and partners may not be aware of the department's expectations for dealing with graffiti and therefore there is a risk that desired outcome will not be achieved to contribute towards meeting the corporate priority on Clean, Green and Safe. Without a formal review of the current policy, established before the restructure, there is a risk that relevant Corporate priorities and objectives and other key local strategies are not supported.

**Management Action:**

***A Service Level Agreement is being put together which will clarify the objective for service and include the role of the Community Protection Group in contributing towards meeting the corporate priority.***

- **Operational (SLA) Arrangements**

Inadequate definition of the roles and responsibilities between the services will lead to poor:

- joint working;
- accountability for the service and resources not utilised effectively;
- communication channels and decision making;
- exchange of information.

In the absence of clear roles and responsibilities there is potential for duplication and omission and therefore a risk that desired outcomes will not be achieved efficiently and effectively.

There may be no point of reference in the event of a dispute and this could lead to confusion as to the roles and responsibilities.

**Management Action:**

***A Service Level Agreement is being put together which will clarify the objective for service and include the role of the Community Protection Group in contributing towards meeting the corporate priority.***

- **Partnership Agreements**

Failure to secure partnership agreements, will result in businesses not tackling the problem of graffiti and impact on the physical streetscene appearance of the borough. If graffiti is allowed to remain for a length of time untreated, there is a risk that this sends a signal to the community that it is accepted and could act as a catalyst for other types of anti-social behaviour e.g. littering, fly-tipping, fly posting, vandalism.

**Management Action:**

***Partnership arrangements are being developed by contacting utility companies and the transport operators regarding the removal of graffiti from their equipment and property. Agreements are being put in place with key partners and they will be encouraged to improve the streetscene and physical environment of the borough.***

- **Partnership working – Enforcement**

Failure to issue removal notices to companies / operators responsible for cleaning graffiti from their street furniture, will result in the council incurring avoidable costs both in terms of cleaning and use of resources.

**Management Action:**

***A policy is being drafted for the whole of the Community Protection Group, which will incorporate serving graffiti removal notices on certain companies responsible for the surface where graffiti has appeared (as prescribed within the Anti-social Behaviour Act – Section 48-52).***

- **Information and Performance Management**

Failure to establish key performance measures, regular monitoring and reporting of these against actual performance targets presents a risk of:

- poor service delivery and non-achievement of any established targets;
- inefficient use of resources due to poor intelligence data, leading to ineffective surveillance planning to tackle graffiti;
- Ineffective management decisions made due to inaccurate and incomplete reporting of

**Management Action:**

***An information and performance management framework for the service will developed once the operational (SLA) arrangements have been agreed.***

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

- 5.1 We have accepted all the findings of the audit report and agreed actions to mitigate against them. We expect the assurance given to improve when the follow up work is undertaken.

**2007/08 Internal Audit Audit Plan Update**  
**@ 31st October 2007**

## **2007/08 Internal Audit Audit Plan Update**

**@ 31st October 2007**

|                |  |
|----------------|--|
| <b>Page 1</b>  | Green Spaces & Ground Maintenance Follow-up of Follow-up (New) |
| <b>Page 2</b>  | Cashbook Reconciliation Follow-up (New)                        |
| <b>Page 3</b>  | Personal Use of Mobile Phone Advice and Guidance (New)         |
| <b>Page 4</b>  | Stock Management and Control Key System Audit (Deferred)       |
| <b>Page 5</b>  | EDRMS 2007-8 Follow-up (New)                                   |
| <b>Page 6</b>  | ICS 2007-8 Follow-up (New)                                     |
| <b>Page 7</b>  | Imprest Accounts (New)   |
| <b>Page 8</b>  | Various Follow-ups (Deferred)                                  |
| <b>Page 9</b>  | Ass Special Laundry Service (New)                              |
| <b>Page 10</b> | Transport VOSA Follow-up (Deferred)                            |
| <b>Page 11</b> | Income and Assessment Review Follow-up (New)                   |
| <b>Page 12</b> | Registrars (New)   |
| <b>Page 13</b> | Registrars Follow-up (New)                                     |
| <b>Page 14</b> | Rent Deposit Scheme Follow-up of Follow-up (New)               |

**New 2007/08 Environment & Regeneration****SERVICE AREA:** Environment and Transport**TITLE OF ORIGINAL AUDIT:** Green Spaces and Ground Maintenance Follow-up of Follow-up**DATE AUDIT REQUESTED FOR:** Quarter 3**REQUESTED BY:** Head of Internal Audit and Ethical Governance**Reason(s) for the new work**

To report further progress on mitigation of reported risks since the last follow-up concluded in September 2007.

**Risk to the Corporate Plan**

None

**Client Comment**

None

**Audit Comment**

None

**New 2007/08 Resources****SERVICE AREA:** Resources/Shared Service/Revenues**TITLE OF ORIGINAL AUDIT:** Cashbook Reconciliation Follow-up**DATE AUDIT REQUESTED FOR:** Quarter 3**REQUESTED BY:** Head of Revenues**Reason(s) for the new work**

To report progress on mitigation of reported risks at the original audit concluded in September 2007.

**Risk to the Corporate Plan**

None

**Client Comment**

None

**Audit Comment**

None

**New 2007/08 Resources****SERVICE AREA:** Resources/Stretegic Service/Strategic IT**TITLE OF ORIGINAL AUDIT:** Personal Use of Mobile Phones Advice and Guidance**DATE AUDIT REQUESTED FOR:** As and When**REQUESTED BY:** Head of Strategic IT**Reason(s) for the new work**

To provide risk and control advice and guidance on new approach to personal use of Council mobile phones.

**Risk to the Corporate Plan**

None

**Client Comment**

None

**Audit Comment**

None

**Deferred from 2007/08 to 2008/09 Resources****SERVICE AREA:** Resources**TITLE OF ORIGINAL AUDIT:** Stock Management and Control**ORIGINAL PLANNED DATE FOR AUDIT:** 2007/08 Quarter 2 (deferred from Q1)**REVISED PLANNED DATE FOR AUDIT:** 2008/09 Quarter 2**CHANGE REQUESTED BY:** Deputy Director of Resources and Chief Finance Officer**Reason(s) for the change**

2006/7 stocks audit finalised in August 2007. No added value from new audit before completion of the follow-up audit.

**Risk to the Corporate Plan**

None

**Client Comment**

None

**Audit Comment**

None



**New 2007/08 Resources****SERVICE AREA:** Resources**TITLE OF ORIGINAL AUDIT:** Electronic Document Record Management System 2007-8 Follow-up**DATE AUDIT REQUESTED FOR:** Quarter 2**REQUESTED BY:** Head of Internal Audit and Ethical Governance**Reason(s) for the new work**

To report progress on mitigation of reported risks in the original audit concluded in July 2007.

**Risk to the Corporate Plan**

None

**Client Comment**

None

**Audit Comment**

None

**New 2007/08 Children's Service****SERVICE AREA:** Childre's Service**TITLE OF ORIGINAL AUDIT:** Integrated Children's System 2007-8 Follow-up**DATE AUDIT REQUESTED FOR:** Quarter 2**REQUESTED BY:** Head of Internal Audit and Ethical Governance**Reason(s) for the new work**

To report progress on mitigation of reported risks in the original audit concluded in July 2007.

**Risk to the Corporate Plan**

None

**Client Comment**

None

**Audit Comment**

None

**New 2007/08 Resources****SERVICE AREA:** Resources**TITLE OF ORIGINAL AUDIT:** Imprest Accounts**DATE AUDIT REQUESTED FOR:** Quarter 3**REQUESTED BY:** Head of Strategic Finance**Reason(s) for the new work**

Areas of concerns were notes during the closing of 2006-7 accounts.  
Audit to provide assurance on the corporate framework for the imprest accounts.

**Risk to the Corporate Plan**

None

**Client Comment**

None

**Audit Comment**

None

|   |
|---|
| <b>Deferred Follow-up from 2007/08 to 2008/09</b> |
|---|

SERVICE AREA: Various

**TITLE OF ORIGINAL AUDITS:**

Management Information in Youth Service 06/07 follow-up

Central Contract Monitoring 06/07 follow-up

Web Content Management 06/07 follow-up

Waste Prevention 06/07 follow-up

Corporate Governance 06/07 follow-up

Business Continuity 06/07 follow-up

Shared Service Centre 06/07 follow-up

Risk Management 06/07 follow-up

ORIGINAL PLANNED DATE FOR AUDIT: 2007/08 Quarter 4

REVISED PLANNED DATE FOR AUDIT: 2008/09 Various Quarters

|                                 |
|---------------------------------|
| <b>Reason(s) for the change</b> |
|---------------------------------|

Jobs finalised after 2007/8 Audit Plan agreed.  
Revised timing accommodates the dates of implementation of agreed actions.

|                                   |
|-----------------------------------|
| <b>Risk to the Corporate Plan</b> |
|-----------------------------------|

None

|                       |
|-----------------------|
| <b>Client Comment</b> |
|-----------------------|

None

|                      |
|----------------------|
| <b>Audit Comment</b> |
|----------------------|

None

**New 2007/08 Communities****SERVICE AREA:** Adult Social Services**TITLE OF ORIGINAL AUDIT:** ASS Special Laundry Services**DATE AUDIT REQUESTED FOR:** Quarter 3**REQUESTED BY:** Director of Adult Social Services**Reason(s) for the new work**

To provide assurance that the assessment process ensures that service is only provided to clients who without the Council care.

**Risk to the Corporate Plan**

None

**Client Comment**

None

**Audit Comment**

None

**Deferred from 2007/08 to 2008/09 Environment & Regeneration****SERVICE AREA:** Environment and Transport**TITLE OF ORIGINAL AUDIT:** Transport VOSA Follow-up**ORIGINAL PLANNED DATE FOR AUDIT:** 2007/08 Quarter 3**REVISED PLANNED DATE FOR AUDIT:** 2008/09 Quarter 1**CHANGE REQUESTED BY:** Environment Services Manager**Reason(s) for the change**

Implementation dates put back to end of quarter 4 (2007/8).

**Risk to the Corporate Plan**

None

**Client Comment**

None

**Audit Comment**

None

**New 2007/08 Communities****SERVICE AREA:** Adult Social Services**TITLE OF ORIGINAL AUDIT:** Income and Assessment Review 07/08 (P)**DATE AUDIT REQUESTED FOR:** Quarter 3**CHANGE REQUESTED BY:** Head of Internal Audit and Ethical Governance**Reason(s) for the change**

To report progress on mitigation of reported risks at the original audit concluded in August 2007.

**Risk to the Corporate Plan**

None

**Client Comment**

None

**Audit Comment**

None

**New 2007/08 Resources**

**SERVICE AREA:** Resources/Stretagic Service/Organisational Development and Customer Care

**TITLE OF ORIGINAL AUDIT:** Registrars

**DATE AUDIT REQUESTED FOR:** Quarter 1

**REQUESTED BY:** Assistant Director of Organisational Development and Customer Care

**Reason(s) for the new work**

To provide assurance that the Council's Registrar's Service provides an efficient customer focussed, legally compliant, and modern service to customers, safely and securely, while attaining value for money and at the same time improving avenues of income for the council.

**Risk to the Corporate Plan**

None

**Client Comment**

None

**Audit Comment**

None



**New 2007/08 Resources****SERVICE AREA:** Resources/Stretegic Service/Organisational Development and Customer Care**TITLE OF ORIGINAL AUDIT:** Registrars**DATE AUDIT REQUESTED FOR:** Quarter 3**CHANGE REQUESTED BY:** Assistant Director of Organisational Development and Customer Care**Reason(s) for the change**

To report progress on mitigation of reported risks at the original audit concluded in September 2007.

**Risk to the Corporate Plan**

None

**Client Comment**

None

**Audit Comment**

None

**New 2007/08 Environment & Regeneration**

SERVICE AREA: Housing

TITLE OF ORIGINAL AUDIT: Rent Deposit Scheme

DATE AUDIT REQUESTED FOR: Quarter 3

CHANGE REQUESTED BY: Head of Internal Audit and Ethical Governance

**Reason(s) for the change**

To report further progress on mitigation of reported risks since the last follow-up concluded in August 2007.

**Risk to the Corporate Plan**

None

**Client Comment**

None

**Audit Comment**

None

## Internal Audit Performance Indicators 2007-8 @ 31st October 2007

| PI Ref | PERFORMANCE INDICATOR   | TARGET 2007/08<br>(annual &<br>cumulative)                                     | Position at end of:  |  |
|--------|---|--|--|--|
|        |   |  | Q1 2007/08   | Q2 2007/08   |
| 1      | Percentage of 2007/08 audit plan completed compared to what was planned.          | 87.5%<br><br>This is the combined figure for systems, follow-ups and projects. | 11% complete or at draft report<br><br>25% at various stages of work in progress | 21% complete or at draft report<br><br>plus 40% at various stages of work in progress    |
| 2      | Percentage of Audit reports followed up within 12 months of issue of final report | 100%   | 13% complete or at draft report<br><br>11% at various stages of work in progress | 25% complete or at draft report<br><br>plus 23.75% at various stages of work in progress |

| Risk Analysis Interim Annual Report 2007-08             |   | IIA Category                                     |  |  |  |                                | Total      | Priority 1 | Priority 2 |
|---|---|--|--|--|--|--------------------------------|------------|------------|------------|
|   |   | 1  | 2                                      | 3  | 4  | 5                              |            |            |            |
| Client Service  | Audit Project                                     | The integrity of information/ data is unreliable | Assets are not adequately safe guarded | Resources not used economically or effectively | Non Compliance with Policies, Laws, Regulations and Procedures | Objectives/ goals not achieved |            |            |            |
| Environment and Transport                               | Waste Prevention                                  | 0  | 1                                      | 1  | 0  | 5                              | 7          | 2          | 5          |
| Resources - Strategic Services                          | Safer Recruitment                                 | 0  | 0                                      | 0  | 12   | 0                              | 12         | 1          | 11         |
| Resources - Shared Services                             | Milly Apthorpe Annual Accounts Management letter  | 0  | 1                                      | 0  | 0  | 0                              | 1          | 0          | 1          |
| Planning and Environmental Protection                   | Hendon Cemetery and Crematorium                   | 0  | 1                                      | 1  | 0  | 0                              | 2          | 0          | 2          |
| Environment and Transport                               | Traffic Management Act (TMA) 2004                 | 2  | 1                                      | 1  | 1  | 0                              | 5          | 0          | 5          |
| Resources - Strategic Services                          | Property Asset Management                         | 2  | 1                                      | 0  | 1  | 7                              | 11         | 0          | 11         |
| Corporate Governance - Community Protection Group       | Graffiti (Prevention, Education and Enforcement)  | 1  | 0                                      | 3  | 0  | 2                              | 6          | 5          | 1          |
| Resources - Shared Services                             | Cashbook Reconciliation (06/07 deferred to 0708)  | 2  | 0                                      | 1  | 1  | 2                              | 6          | 2          | 4          |
| Communities - Adult Social Services                     | ASSD Income and Assessment Review 07-08           | 2  | 0                                      | 3  | 0  | 3                              | 8          | 3          | 5          |
| Communities - Children's Services - Education           | Integrated Children's System (P)                  | 0  | 0                                      | 0  | 0  | 1                              | 1          | 0          | 1          |
| Resources - Organisational Develop't and Customer Servs | Registrars  | 3  | 3                                      | 5  | 4  | 0                              | 15         | 4          | 11         |
| Resources - Strategic Servs                             | Budgetary Control                                 | 0  | 0                                      | 6  | 0  | 1                              | 7          | 1          | 6          |
| Resources - Shared Services                             | Accounts Receivable - Inc Debt Management (KS/KC) | 1  | 0                                      | 0  | 1  | 1                              | 3          | 2          | 1          |
| Corporate Governance - Community Protection Group       | Money Laundering 06/07                            | 0  | 0                                      | 0  | 4  | 1                              | 5          | 4          | 1          |
| Communities - Children's Services - Education           | Management Information in Youth Service           | 1  | 0                                      | 2  | 0  | 1                              | 4          | 0          | 4          |
| Environment and Transport                               | Transport Policy and Procedures (VOSA)            | 0  | 0                                      | 0  | 6  | 2                              | 8          | 3          | 5          |
| Housing   | Home Ownership                                    | 1  | 0                                      | 2  | 0  | 0                              | 3          | 1          | 2          |
| Resources - Shared Services                             | Risk Management                                   | 0  | 0                                      | 0  | 1  | 2                              | 3          | 0          | 3          |
| Communities - Children's Services - Education           | Sen Budget and Contract                           | 4  | 0                                      | 1  | 0  | 1                              | 6          | 0          | 6          |
| Resources - Strategic Services                          | Stock Systems 06/07 (KS/KC)                       | 1  | 1                                      | 0  | 1  | 0                              | 3          | 1          | 2          |
| Planning and Environmental Protection                   | Building Control                                  | 4  | 0                                      | 0  | 1  | 1                              | 6          | 0          | 6          |
| Resources - Shared Services                             | Accounts Payable - Payments (KS/KC)               | 0  | 0                                      | 0  | 1  | 0                              | 1          | 0          | 1          |
| Communications and Consultation                         | Web Content Management                            | 1  | 0                                      | 1  | 0  | 1                              | 3          | 0          | 3          |
| Environment and Transport                               | Commercial Waste Service                          | 0  | 0                                      | 0  | 0  | 1                              | 1          | 0          | 1          |
| Environment and Transport                               | Parking Control 06/07 (KS)                        | 3  | 0                                      | 4  | 0  | 1                              | 8          | 0          | 8          |
| Housing   | Housing Benefits 06/07 (KS)                       | 2  | 2                                      | 0  | 0  | 1                              | 5          | 1          | 4          |
| Resources - Shared Services                             | Central Contract Monitoring                       | 0  | 0                                      | 2  | 0  | 5                              | 7          | 0          | 7          |
| Corporate Governance - Community Protection Group       | Municipal Elections                               | 0  | 0                                      | 0  | 1  | 0                              | 1          | 0          | 1          |
| <b>TOTALS</b>   |   | <b>30</b>  | <b>11</b>                              | <b>33</b>                                      | <b>35</b>  | <b>39</b>                      | <b>148</b> | <b>30</b>  | <b>118</b> |
|   |   |  |  |  |  |                                | % of total | 20%        | 80%        |