

AGENDA ITEM: 6

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Meeting	Audit Committee
Date	29th June 2009
Subject	Internal Audit Annual Report 2008-9
Report of	Acting Head of Internal Audit and Ethical Governance
Summary	The Committee is asked to note the 2008-9 Internal Audit Annual Report and appendices.

Officer Contributors	Acting Head of Internal Audit and Ethical Governance
Status (public or exempt)	Public
Wards affected	N/A
Enclosures	Appendix A: 2008/9 Internal Audit Annual Report Appendix B: 2008/9 Internal Audit Annual Audit Plan Update Appendix C: 2008/9 Internal Audit Performance Indicators Appendix D: 2008/9 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: Hem Savla, Acting Head of Internal Audit and Ethical Governance 020 8359 7154

- 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 10th March 2009 included in the work programme for 2009/10, the Internal Audit Annual Report for 2008/9.
- 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 2008/09 - 2011/12)

4 RISK MANAGEMENT ISSUES

- 4.1 The purpose of the Internal Audit Annual Report 2008/9 is to highlight to the Audit Committee, relevant Cabinet Members, Chief Executive, relevant Council Directors and External Audit, the findings of Internal Audit work conducted in 2008/9 (for work that has not previously been reported in the 2008/9 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.

- 4.3 The internal audit work contributes toward increasing awareness and understanding of risk and controls amongst managers and improving management processes for securing effective risk management.

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 USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 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 29th May 2009. The report also identifies and gives more detail on those areas which are of significant risk. This is a planned report within the 2009/10 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 top three most recurring areas of weakness are:

- Objectives/goals not achieved (45 instances out of a total 126 reported risks).

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

- Non compliance with policies and procedures (**29** instances out of a total **126** reported risks).

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.

- The integrity of information/data is unreliable (**26** instances out of a total **126** reported risks).

Finding in this area reflect risk that impact on the quality of informed decisions and actions.

For the above areas of weaknesses occurrences reported in the Internal Audit Annual Report for 2007-8 were:

- 31 out of 80 for objectives/goals not achieved.
- 15 out of 80 for non compliance with policies and procedures.
- 19 out of 80 for the integrity of information/data is unreliable.

It is important to recognise that as different systems and processes are audited each year the mix of recurring weaknesses will undoubtedly vary from one year to the next.

- 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 24% 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 76% 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 assurances 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 to note that there are no areas at 'no' assurance and **13** areas are now at a 'full' or 'satisfactory' level of assurance, it needs to be noted that there are **13** that are still 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.
No assurance still no assurance	0
No assurance to limited assurance	4
Limited assurance still limited assurance	9
No or limited assurance to satisfactory	8
Satisfactory assurance still satisfactory assurance	4
Full or Satisfactory assurance to full assurance	1
Total	26

Corporate Governance and Risk Management

Corporate Governance

- 9.7 We completed a full review of corporate governance arrangements and provided a 'satisfactory' level of assurance in 2007/8. 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. The next full review of governance is planned for 2009/10 (quarter four).

Risk Management

- 9.8 An audit of the risk management function in 2007/8 provided a 'satisfactory' level of assurance that the development of corporate risk management is progressing adequately. As there was some non-compliance and poor practice in services, we decided to undertake audit of the Internal Control Checklist process, which is designed to enable managers to assess and improve the risk and control environment within their areas of control, in services across the Council.

In 2008-9, we completed a review of the ICC process within the Corporate Governance Directorate. We provided a 'limited' level of assurance on this review, which will be followed-up in 2009/10 (quarter two).

During 2009/10, the ICC process will be reviewed within Planning, Housing and Regeneration (quarter two), Environment and Transport (quarter two), Children's Service (quarter two) and Adult Social Services (quarter three).

Customer Evaluation Questionnaires

- 9.9 The Audit Committee at the meeting on 20 March 2007 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:

2006/07

47 questionnaires sent; 38 questionnaires returned. An average score of 2.5 was achieved where 1 = excellent; 2 = highly effective; 3 = perfectly satisfactory; 4 = not quite good enough and 5 = unacceptable.

2007/08

25 questionnaires sent; 15 questionnaires returned. An average score of 2.1 was achieved.

2008/09

28 questionnaires sent to date; 12 questionnaires returned to date. An average score of 2.3 was achieved.

When last reviewed by the Committee, our target was set at 3 or better (i.e. lower).

Internal Audit performance Management

- 9.10 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.
- 9.11 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 Any person wishing to view any of the background papers should telephone 020 8359 7154.

Legal: JEL
CFO: CM

Internal Audit Annual Report 2008-09

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INTERNAL AUDIT ACTIVITY - Since 7th November 2008 **SUMMARIES BY DIRECTORATE**

- 1 Resources
- 2 Communities
- 3 Environment and Regeneration
- 4 Strategy
- 5 Corporate Governance

AUDIT REPORT SUMMARIES FOR HIGH RISK AREAS (No Assurance)

Communities

- A1 Meals Service
- A2 Telecare Service
- Environment and Regeneration
- A3 Use of Consultants
- A4 Parking - Pay & Display Machine Maintenance & Cash Collection
- Corporate Governance
- A5 Data Protection Framework 1998
- A6 Barnet's Drug and Alcohol Service (BDAS) and The Crossing

Internal Audit Activity Summary: Resources**Audit Work**

Service	System	Priority 1	Priority 2	Current Assurance	Date of last Audit	Assurance at last Audit
ST SERV	Data Quality (KLOE)	0	2	Satisfactory	None	N/A
ST SERV	LG Pension Admin and Pension Fund	0	4	Limited	See Below	
SH SERV	Housing Benefits	0	2	Satisfactory	09/05/2008	Satisfactory
SH SERV	Accounts Payable	0	1	Satisfactory	09/05/2008	Satisfactory

Follow-up Work

Service	System	Priority 1 Y P N	Priority 2 Y P N	Assurance on Follow-up	Assurance of Original Audit
ST SERV	Cash Collection, Banking and Treasury Management	0 1 0	2 2 1	Limited	Limited
ST SERV	Sales, Invoicing and Debt Management	0 1 0	2 1 0	Satisfactory	Limited
ST SERV	Business Continuity	3 2 1	1 2 0	Limited	No Assurance
SH SERV	Capital Expenditure	0 0 1	1 0 1	Limited	Limited
SH SERV	LG Pensions	0 0 0	1 1 0	Satisfactory	Limited
SH SERV	Recruitment, HR and Payroll	0 0 0	5 1 0	Satisfactory	Satisfactory
SH SERV	Imprest Accounts	0 0 0	2 2 0	Satisfactory	Satisfactory
SH SERV	Cash Security Collection Service	1 0 0	3 3 0	Satisfactory	Limited
SH SERV	Cashiers System	0 1 0	2 3 1	Limited	Limited
OD & CSER	Registrar's	1 3 0	3 8 0	Limited	No Assurance

Other Work

Service	System	Type of work	Assurance
ST SERV	Electronic Document Record Management System (EDRM)	Project	Limited

Service Area Description

ST SERV - Strategic Services

SH SERV - Shared Services

OD & CSER - Organisational Development & Customer Services

Key

Y Mitigated
P Partially Mitigated
N Not Mitigated

Internal Audit Activity Summary: Communities

Audit Work

Service	System	Priority 1	Priority 2	Current Assurance	Date of last Audit	Assurance at last Audit
CS	Connexions Transition	0	3	Satisfactory	None	N/A
CS	Child Protection	0	1	Satisfactory	See Below	
CS	Cleaning Contract - Safeguarding Children	1	2	Limited	None	N/A
ASSD	Respite Care	0	11	Limited	02/02/2003	Limited
ASSD	Fairer Pricing Tool	0	8	Limited	None	N/A
ASSD	Data Quality BVPI	0	3	Satisfactory	None	N/A
ASSD	Meals Service	4	4	No Assurance	None	N/A
ASSD	Telecare Service	4	2	No Assurance	None	N/A
ASSD	Supply Management (Priorities)	0	3	Satisfactory	None	N/A

Follow-up Work

Service	System	Priority 1			Priority 2			Assurance on Follow-up	Assurance of Original Audit
		Y	P	N	Y	P	N		
CS	Children's Act Complaints	1	1	0	6	2	0	Satisfactory	Limited
CS	SEN Budget & Contract	0	0	0	2	4	0	Limited	Limited
CS	Child Protection	0	0	0	0	1	0	Satisfactory	Satisfactory
CS	Free School Meals	0	0	0	3	1	0	Satisfactory	Limited
ASSD	Laundry Service	0	4	0	1	2	0	Limited	No Assurance
ASSD	Customer Billing	0	4	1	1	4	1	Limited	No Assurance

Other Work

Service	System	Type of work	Assurance
CS	Primary School Capital Investment Programme (PSCIP)	Project	Full
ASSD	Choice & Independence - Programme Governance	Project	Satisfactory

Service Area Description

CS - Children's Services

ASSD - Adult Social Services

Key

Y Mitigated
P Partially Mitigated
N Not Mitigated

Internal Audit Activity Summary: Environment and Regeneration

Audit Work

Service	System	Priority 1	Priority 2	Current Assurance	Date of last Audit	Assurance at last Audit
E&T	Street Cleansing 'Signature' Service	0	1	Satisfactory	See Below	
E&T	Administration of Term Contracts	0	1	Satisfactory	01/06/2004	Satisfactory
E&T	Final Accounts	0	6	Limited	None	N/A
E&T	Parking - Pay & Display Maintenance and Cash Collection	3	5	No Assurance	None	N/A
E&T	Use of Consultants	3	3	No Assurance	None	N/A
PHR	Strategic Planning	0	1	Satisfactory	None	N/A
PHR	Regeneration	1	1	Limited	None	N/A
PHR	Grants	1	2	Limited	None	N/A
PHR	Barnet House Monitoring	1	3	Limited	30/01/2006	Limited
MP	Procurement and Contracts - Systems & Processes	2	6	Limited	None	N/A
MP	Procurement and Contracts - Service Compliance	3	1	No Assurance	None	N/A

Follow-up Work

Service	System	Priority 1			Priority 2			Assurance on Follow-up	Assurance of Original Audit
		Y	P	N	Y	P	N		
E&T	Traffic Management Act 2004	0	0	0	1	3	1	Satisfactory	Satisfactory
E&T	Street Cleansing 'Signature' Service	0	0	0	1	0	0	Full	Satisfactory
PHR	Housing Revenue Account	0	1	0	0	3	1	Limited	Limited
PHR	Housing Strategy and Performance	0	0	0	1	1	0	Satisfactory	Limited
PHR	Non HRA Subsidy	0	1	0	2	1	0	Satisfactory	Limited
PHR	Principal Development Agreement	0	1	0	0	3	0	Limited	Limited
MP	Central Contract Monitoring	0	0	0	0	6	1	Limited	Limited

Other Work

Service	System	Type of work	Assurance
E&T	Recycling	Project	Satisfactory
E&T	Transport	Project	Satisfactory
PHR	Service Restructure	Project	Satisfactory
MP	Mill Hill Depot Relocation Project	Project	Satisfactory

Service Area Description

E&T - Environment & Transport

PHR - Planning, Housing and Regeneration

MP - Major Projects

Key

Y Mitigated
P Partially Mitigated
N Not Mitigated

Internal Audit Activity Summary: Strategy

Follow-up Work

Service	System	Priority 1			Priority 2			Assurance of Original Audit	Assurance on Follow-up
		Y	P	N	Y	P	N		
STY	Partnership Arrangements	0	1	0	1	4	0	Limited	Limited
STY	Consultation	1	2	0	1	2	1	Limited	Limited

Service Area Description

STY - Strategy

Key

<p>Y Mitigated P Partially Mitigated N Not Mitigated</p>

Internal Audit Activity Summary: Corporate Governance

Audit Work

Service	System	Priority 1	Priority 2	Current Assurance	Date of last Audit	Assurance at last Audit
IA&EG	Data Protection Framework 1998	2	4	No Assurance	None	N/A
CPG	Trading Standards & Licensing	0	1	Satisfactory	08/09/2006	Satisfactory
CPG	Barnet Drug and Alcohol Service (BDAS)	4	4	No Assurance	None	N/A
P&OD	Internal Control Checklist (ICC)	0	4	Limited	None	N/A

Follow-up Work

Service	System	Priority 1			Priority 2			Assurance on Follow-up	Assurance of Original Audit
		Y	P	N	Y	P	N		
DS	Delegated Powers Report	0	0	0	3	0	1	Satisfactory	Limited

Service Area Description

IA&EG - Internal Audit & Ethical Governance

CPG - Community Protection Group

DS - Democratic Services

P&OD - Performance & Organisational Development

Key

Y Mitigated
P Partially Mitigated
N Not Mitigated

Appendix A - Internal Audit Annual Report 2008-09

Service Area	Issue Date	Assurance of Original Audit	Planned Follow-up Date
Adult Social Services	29/05/2009	No	Q2 2009/10 (August)

Report Title

Meals Service

1 Objective of System

- 1.1 The Home Meals service is for people who have no means of getting a hot meal and are unable to prepare or reheat their own meals. There is a contract between L.B. Barnet and an external service Provider (Sodexo) for the provision of the meals. L.B. Barnet has transferred the contract management and meals administration responsibilities to LB Enfield. The objective of the system is to ensure that
- eligible clients receive the correct meals in a timely manner;
 - the meals provider is only paid for services delivered;
 - clients are invoiced accurately and promptly and;
 - all income due is collected in a timely manner.

2 Scope of Audit

- 2.1
- Referral Procedures
 - Criteria for Eligibility / Assessment
 - Approval of Care Plan
 - Recording Financial Contributions
 - Service Delivery
 - Income Identification and Collection
 - Contract Monitoring
 - Performance Management and Management Information
 - Budget Monitoring

3 Executive Summary

- 3.1 We can provide No Assurance that management have implemented an adequate framework of internal controls to achieve the objectives of the system. Weaknesses arise from a lack of oversight and unclear roles and responsibilities over the performance of the Meals service and a lack of key controls. The decision to halt client invoicing from April 2007 to January 2008 while the SWIFT system was being customised for the meals service and the absence of a transitional invoicing process during that 10 month period has increased the risk of non collection. A SAP AR aged debt report produced in February 2009 showed that the value of invoices raised between February 07 and August 08 but still outstanding amounted to £42k and accounted for 50% of all outstanding debts related to Meals.

4 Risks

	Priority 1:	Priority 2:
4.1 Number of risks identified	4	4
4.2 Number of actions agreed	4	4

4.3 Priority 1 risks

- **Risk: Roles and Responsibilities**

There is a risk that the quality of the service provided may be poor and appropriate and timely management actions may not be taken if accountability, control and oversight is not clearly defined and allocated.

Management Action:

Overall leadership and accountability for Barnet's investment in the joint meals contract will be taken on by Supply Management. Head of Supply Management will review the arrangements with Enfield and consider their effectiveness. Head of Supply Management will clarify the roles and responsibilities of Barnet Officers involved in this process.

- **Risk: Reconciliations**

There is a risk of financial loss (and invalid claims for price increases) if the meal provider is over or under paid.

There is a risk of loss of income and increased transactional costs if clients are under or over invoiced.

Management Action:

Reconciliation process will be reviewed to ensure:

- correct payment to suppliers,***
- correct and timely billing to customers***
- income collected in a timely manner.***

As part of this review the tolerance level will be reviewed to ensure a cost effective reconciliation process.

- **Risk: Delegation of Authority**

There is a risk that the desired outcomes and expected level of service are not achieved if formally agreed and clearly defined contracts are not in place. There is a risk that value for money is not achieved.

Management Action:

Desired outcomes and expected level of service will be agreed and covered in the SLA with Enfield. These outcomes and service levels will match the contract with Sodexo. Monitoring process will be put in place to ensure SLA is complied with.

- **Risk: Performance Management**

There is a risk that management may be not able to assess the effectiveness of the service and take appropriate and timely remedial actions if appropriate and adequate management information is not requested or received and reviewed regularly.

Management Action:

Management information required for Barnet will be specified and agreed with Enfield, with a lead in Barnet Supply Management holding an oversight / Co-ordination role.

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

5.1 Agreed management actions are being taken forward and will be completed before the follow-up audit in quarter 2 of 2009/10.

Service Area	Issue Date	Assurance of Original Audit	Planned Follow-up Date
Adult Social Services	01/06/2009	No	2009/10 (Q3 December)

Report Title

Telecare Service

1 Objective of System

1.1 Telecare provides a service to those eligible clients who otherwise will be at risk of not remaining in the community and therefore likely to come into Council's care.

Barnet Homes Lifeline is the service provider responsible for service delivery and operate a call centre with trained staff to answer phone calls and handle any alarms that are activated, along with a team of mobile wardens to go out to people's homes. The Service Provider pass details of the referral onto the central telecare co-ordinator and also onto the equipment store and engineer to prepare to install the equipment. Lifeline are the key organisation handling the referral from receipt until the equipment is disconnected and removed from the home.

2 Scope of Audit

- 2.1
- Strategy, Policy and Procedure;
 - Accountability, Roles and Responsibilities;
 - Performance Management;
 - Management Information;
 - Budgetary Management and Financial Control; and
 - Value for Money.

3 Executive Summary

3.1 We can provide No Assurance that the system objectives will be achieved through exiting processes. There are weaknesses in control that put the system objectives at risk. There are areas where processes need further improvement or are yet to be established, but the underlying cause of the risks identified is the lack of a complete, clear and agreed Service Level Agreement between the Council and Barnet Homes Lifeline.

4 Risks

	Priority 1:	Priority 2:
4.1 Number of risks identified	4	2
4.2 Number of actions agreed	4	2

4.3 Priority 1 risks

- **Risk: Complete and Formally Approved SLA**

Without a complete, signed, agreed and approved SLA between Adult Social Services and the service provider: the following risks may materialise:

in the event of a misunderstanding, dispute or an event affecting a service user parties to the agreement may deny responsibility or accountability.

the terms and conditions within the draft SLA may not be enforceable leading to a deterioration in the business relationship between Adult Social Services and the service provider.

Management Action:

The SLA will be formalised. The outstanding invoices issue for 2008/09 has now been resolved.

- **Risk: Performance Protocols**

There is a risk that if telecare service providers are unaware of the performance standards expected by the Council poor service delivery may occur and expose service users to dangerous life threatening situations.

Without formal Adult Social Services protocols which detail the specific performance indicator targets expected and agreed with the Telecare service providers and partners, there is a risk that actual performance in delivery of the Telecare service is not measured appropriately.

Management Action:

The new Service Level Agreement will incorporate performance targets and reporting expectations.

- **Risk: Reconciliation of Client Records**

Without regular reconciliation there is a risk that Telecare services may not be restricted to those entitled to resulting in the Council are making payments for unapproved Telecare users and/or overpayments could be made, resulting in a loss of income. Further, there is a risk that eligible clients may not be receiving the Telecare service allocated to them.

Management Action:

Starting in June 2009 all clients who are not on client information system (SWIFT) will be identified, reassessed and put on SWIFT, where appropriate.

- **Risk: Timely Means Testing**

Where means testing of Telecare applicants is not completed in a timely manner, there is a risk that there may be delays in delivering the service to eligible and vulnerable users. This could result in an event that could damage the reputation of the Council.

Management Action:

A process is now in place for monitoring means testing timeliness.

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

- 5.1 Staff have nearly concluded the service level agreement to be agreed with the provider which will incorporate the mitigation of the main risks identified by the audit. It is planned that this will be concluded by the end of July and before the follow-up audit in quarter 3 of 2009/10.

Appendix A - Internal Audit Annual Report 2008-09

Service Area	Issue Date	Assurance of Original Audit	Planned Follow-up Date
Environment and Transport	26/05/2009	No	Quarter 4 09/10

Report Title

Use of Consultants

1 Objective of System

1.1 Procuring the service of consultants is to hire-in external professional expertise that is currently not available within the Council for delivery of service economically and efficiently.

2 Scope of Audit

- 2.1
- Policy / standards for procuring consultants' services
 - Planning process for using consultants
 - Consultants' procurement process
 - Monitoring process for service provided
 - Payment process
 - Management of consultants' costs

3 Executive Summary

3.1 Audit can provide No Assurance that the objective of procuring the services of consultants will be achieved effectively and efficiently.

Management action is required to address the risks reported where controls should be enhanced to improve their effectiveness and mitigate the risks that affect the objectives of the service. Findings and related risks were identified in the following areas:

- Contract Procedure Rules not followed
- Lack of effective monitoring of consultants work
- Lack of robust processes for invoice certification and payment

4 Risks

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

4.3 Priority 1 risks

- **Risk: Procurement Rules**

There is a risk the council may face legal challenge on the appointment of consultants without following the appropriate selection process and obtaining requisite approvals and authorisation, and could lead to financial losses to the Council.

In addition, there is a risk of unauthorised spend in the absence of robust arrangements to ensure that Purchase Orders do not exceed the value authorised without appropriate approval and authorisation.

Management Action:

1. Appointment of consultants will follow the Council's Procurement Rules and Policy.

Alongside the guidelines on the framework for the use of consultants (risk 1), we will review and re-issue the service's rules and policy approach in order to ensure rigorous compliance with the Contract Procedure Rules and Policy of the council in the selection, authorisation and approval of consultants.

2. Refresher training on the Procurement Rules and processes will be provided to all Managers and officers involved in the procurement process.

3. An authorisation hierarchy has been implemented within the WOM module of the SAP for goods receipting invoices; the levels are set to match the levels of financial delegation of individual officers.

This is in addition to the hierarchy for authorisation of purchase orders, which, together, will ensure the appropriate authorisation and approval of purchase orders and payments on the system.

4. We will run periodic reports from the SAP and WOM systems and confirm compliance.

Instances of non-compliance with the established Policy, processes and Rules will be identified and reported to Senior Management Board (SMB) for action.

- **Risk: Reliable Intelligence**

There is a risk that the service will be unable to monitor the use of consultants in the absence of a comprehensive database and effective arrangements for reporting of key information on the use of consultants.

Management Action:

1. As this information is not currently recorded on SAP, we will identify a suitable methodology in order to ensure that key information is captured effectively to demonstrate the delivery of value for money by consultants.

2. We will develop and implement a formal monitoring and reporting process.

3. Routine monitoring reports will be produced for the SMB.

- **Risk: Certification and payment of invoices**

There is a risk that inappropriate and unauthorised payments may occur in the absence of robust processes for raising purchase orders, certification of invoices and implementation of effective division of duties.

Management Action:

1. We will ensure that robust arrangements for certification of invoices are implemented. Officers will maintain time /work-log records for monitoring the delivery of work done by consultants. These records, in conjunction with the contract, appointment letters and briefs, where applicable, will be used in order to certify the accuracy of invoices. Invoices will only be certified and processed for payment if a valid purchase order exists on the system.

2. We will ensure that Purchase Orders are authorised on the SAP system in advance, before receipt of the invoice. Managers will monitor open Purchase Orders and invoices to ensure that the approved and authorised limits are not exceeded for the particular contract. Purchase orders which are either completed or not required will be identified routinely for closure.

3. We will ensure that effective segregation of duties is implemented so that the same person raising an order does not 'goods receipt' any related invoices.

4. We will capture these procedures within the revised policy and guidance notes (refer to risk 1, 2 and 5).

5. We will routinely monitor compliance with these procedures and any non-compliance and unauthorised payments will be escalated to SMB for decision on corrective action.

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

5.1 Agreed management actions are being taken forward and will be completed before the follow-up audit in quarter 4 of 2009/10.

Appendix A - Internal Audit Annual Report 2008-09

Service Area	Issue Date	Assurance of Original Audit	Planned Follow-up Date
Environment and Transport	29/04/2009	No	Quarter 3 09/10

Report Title

Parking - Pay & Display Machine Maintenance & Cash Collection

1 Objective of System

1.1 The service regulates and controls parking to increase movement and economic development within the Borough. The Parking Service is responsible for the maintenance of the Pay & Display machines and ensures that all due income is collected from pay and display machines as well as penalty charge notices and permits. The key objective of the system reviewed is to maximise income and cash flow and to reduce down time of the Pay & Display machines.

2 Scope of Audit

- 2.1
- Policies and Procedures
 - Maintenance Arrangements
 - Contract Management
 - Payment to Contractors
 - Income Monitoring and Reconciliation
 - Performance Management

3 Executive Summary

3.1 We can provide No Assurance that the system objectives will be achieved. There are areas where processes need further improvement or are yet to be established. Internal Audit acknowledges that management is already taking action to address the issues reported. Weaknesses in the current system result from key staff being on long-term sick.

4 Risks

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

4.3 Priority 1 risks

- **Risk: Contractor Performance**

There is a risk of financial loss to the Council resulting from payment made to the suppliers for services not received due to a lack of robust contract monitoring arrangements.

There is a risk of loss of income resulting from frequent breakdowns and malfunctioning if machines are not maintained regularly.

Management Action:

Due to the implementation of WOM, maintenance schedules to monitor and ensure all high-income machines are regularly maintained have been put into place. Procedures around this are being drafted. Phase 2 of WOM may be delayed due to a review of the number of machines in the borough being reviewed. Phase 2 is set to enter all stock and servicing schedules into SAP. This is being developed with the SAP team.

Contract monitoring practices have been put in place. The Operations Manager signs off all purchase orders for works completed after ensuring the work has been carried out. This function has been removed from maintenance supervisor responsibilities. The Operations Manager has weekly performance meetings with SMS.

- **Risk: Weekly P&D Income Reconciliation**

There is a risk of under collection of income and failure to detect fraud or error if audit tickets/amounts recorded by machines are not obtained and inputted correctly and variances are not investigated and resolved promptly.

Management Action:

There are some procedures in place with regards to reconciliation and payment process. These are currently under review. Maintenance procedures are in the process of being drafted and will be complete by the end of May 09, to incorporate the WOM system that has been put into place.

- **Risk: Machine Types**

There is a risk that management decisions are not sufficiently informed to achieve objectives of income maximisation and reduction in inefficiencies if adequate trend analysis, cost/benefit reviews and options appraisals to assess whether the number, location and type of machines meet the needs of the borough are not carried out.

Management Action:

An options appraisal for pay and display is required to review how this service is taken forward. There is the potential to remove approximately 100 machines, which could improve the service and reduce costs incurred for cash collection and maintenance. This is in the process of being reviewed along with a plan for the maintenance and supply and install of machines within the borough.

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

5.1 Agreed management actions are being taken forward and will be completed before the follow-up audit in quarter 3 of 2009/10.

Appendix A - Internal Audit Annual Report 2008-09

Service Area	Issue Date	Assurance of Original Audit	Planned Follow-up Date
Corporate Governance	16/02/2009	No	Quarter 4 09/10

Report Title

Data Protection Framework 1998

1 Objective of System

1.1 The Data Protection Act 1998 (DPA) provides legislation to organisations for the collection, storage, management and disposal of data pertaining to individuals which is known as personnel data. Individuals are classed as data subjects and have the right under the DPA 1998 to request a copy of personal data held by any organisation to review for accuracy and to ensure data is processed in an accurate manner. Requests are known as Subject Access Requests (SARs) and the organisation is required to complete the request within 40 calendar days from the date that sufficient information is received in order for the request to be completed.

2 Scope of Audit

- 2.1
- Data Protection Framework, Policies and Procedures
 - Roles and Responsibilities
 - Engagement with Services
 - Monitoring and Compliance
 - DPO Management Information

3 Executive Summary

- 3.1 We can give No Assurance that the service objectives will be achieved. There are weaknesses in control that put the system objectives at risk. There are areas where processes need further improvement or are yet to be established. The main issues are summarised below.
- Data Protection Framework, Policies and Procedures
 - Engagement with Services
 - Monitoring and Compliance

4 Risks

	Priority 1:	Priority 2:
4.1 Number of risks identified	2	4
4.2 Number of actions agreed	2	4
4.3 Priority 1 risks		
<ul style="list-style-type: none"> • Risk: Data Collection and Processing There is a risk that staff could unlawfully collect and process data as a result of poor awareness and inadequate training of staff of the requirements under the Data Protection Act. 		

Management Action:

A DP training strategy will be developed and formalised.

E-Learning courses for DP tailored for respective groups of staff will be identified. A detailed programme of delivery of training will be identified that would include arrangements for refresher training based on approved training strategy. An administration system will log e-learning for tracking and monitoring to ensure that all staff are adequately trained and on time.

Council's intranet site will include Data Protection and Information Security policies and guidance.

Data Protection will be standard agenda item on the IG Link Officer meetings. Minutes of the meeting will be posted to the intranet.

- **Risk: Monitoring DPA Compliance**

Where compliance with the Data Protection Act 1998 is not monitored, there is a risk that serious instances of non-compliance with the Act may not be identified and may not be corrected. Furthermore, there is a risk that the personal data may not be either stored securely or recovered in a timely manner.

Management Action:

The DP annual compliance assessment will be revised to assess compliance against the Data Protection Policy for the next round of assessment planned for June 2009. Key deliverables and reporting at each stage of the assessment will be clearly defined and communicated to departmental link officers. System owners will be consulted during the annual assessment process.

The completion of the register of all data sharing protocols will be produced based on service returns.

We will request that the Internal Control Checklist is updated to include confirmation of Disaster Recovery Plans which are a Service responsibility.

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

5.1 Agreed management actions are being taken forward and will be completed before the follow-up audit in quarter 3 of 2009/10.

Appendix A - Internal Audit Annual Report 2008-09

Service Area	Issue Date	Assurance of Original Audit	Planned Follow-up Date
Corporate Governance	12/03/2009	No	Quarter 3 09/10

Report Title

Barnet's Drug and Alcohol Service (BDAS) and The Crossing

1 Objective of System

1.1 Drug and Alcohol Action Teams (DAATs) are local partnerships charged with responsibility for delivering the National Drug Strategy at a local level, with representatives from Barnet Council (education, social services and housing) health, probation, the prison service and the voluntary sector.

2 Scope of Audit

2.1 A high level review of the following business processes to ascertain effectiveness and efficiency of delivery of.

- Partnership Structures
- Commissioning Arrangements
- Performance Management Framework
- Contract Management and monitoring

3 Executive Summary

3.1 Internal Audit can give No Assurance, at the time of this management letter that the service objectives will be achieved. There are areas where processes need further improvement or are yet to be established and management action is required to address the emerging issues reported. It became apparent at an early stage during the review that business processes need to be formalised in order to provide a clear:

- framework of the structures and business activities;
- roles and responsibilities;
- auditable business processes.

Without these, there are risks of poor allocation of budgets and utilisation of staff resources, lack of adequate forward planning, inadequate performance framework and value for money not achieved.

4 Risks

	Priority 1:	Priority 2:
4.1 Number of risks identified	4	4
4.2 Number of actions agreed	4	4

4.3 Priority 1 risks

- **Risk: Documented Procedures - Budgets**

Without comprehensive and documented procedures for budget processes, there is a risk that staff may be unclear about which tasks they are responsible for. Tasks may be carried out inefficiently and inconsistently without clear direction, which could lead to a break down in controls.

Management Action:

A calendar of events/return schedules etc is under development covering significant activities of DAAT/Service Providers/Service users.

All systems, processes and roles will be covered by robust service specs, contracts and SLAs.

A workforce development plan is an existing priority and will highlight workforce requirements and any training needs/opportunities.

- **Risk: Risk Management - An assessment of the identification, evaluation and treatment of the partnership risks**

Failure to identify, monitor and manage significant strategic and operational risks could result in the partnership failing to respond quickly to risks from factors within the organisation and changes to the business environment

Management Action:

At strategic level risks will now be monitored through Corporate, Team and Individual Work Plans.

Formalisation of ToR and wider circulation of minutes for Treatment and Service Leads meetings will cover some aspects of provider risk. Primarily though, risk assessment requirements (to include staffing level risk and mitigation), must form part of standard SLA and monitoring of risks will be included in performance reporting mechanisms.

- **Risk: Resources**

Without adequate structures and staffing arrangements at an operational level, there is a risk that the service will be unable to effectively deliver the requirements of the specification and fail to meet the local and national objectives / priorities.

Management Action:

The recruitment of a dedicated performance post will see the performance tool completed inclusive of ownership within services, service reviews planned and implemented and the availability of strategic info to inform the commissioning/strategic planning process. A project officer will also be designated to look at contractual arrangements. The support officer will have less responsibility for basic admin tasks and be used as a project support for areas around performance, service reviews, best practice and innovation and key areas of work such as alcohol plans, communities' plans, communications etc. He/she will also be a dedicated link direct to services on basic performance issues, ILLY and NTA data compliance. Responsibilities between DAAT Manager, JCM and YP commissioner are now shared as are all work priorities and regular meetings have been agreed and have already begun.

Providers - Staffing risk register to be put in place and monitored. Staff skills to be assessed against DANOS requirements and training needs to be assessed and plans put in place to meet those needs (workforce development plan).

- **Risk: Contracts**

Failure to have adequate resources in place to manage contracts may result in poor service delivery and could lead to the service failing to identify non-compliance of the contract by service providers and lead to potential budget problems.

Where expected roles and responsibilities are not detailed in relation to contract management, there is a risk that expected working practices will not be clearly known and understood, compromising service delivery.

Management Action:

A special project worker will be assigned to look at all existing contract arrangements. Additional work will be done to ensure all other procedures and structures are formalised including all ToR, Structural charts, role-specific user guides, SLAs, Budgets, Performance.

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

5.1 A lot of effort is being put into addressing these concerns. With regards to the specific points identified above, progress has been made against all of them. Regular monitoring conducted by management will ensure that actions will be completed before the follow-up audit in quarter 3 of 2009/10.

2008/09 Internal Audit - Audit Plan Update
Since 7th November 2008

2008/09 Internal Audit - Audit Plan Update

Since 7th November 2008

Resources

- Page 1** Income from Property and Industrial Assets 2008/09 (New)
Page 2 Business Continuity 2009/10 (New) 2nd follow-up
Page 3 Change Management Support 2007/08 (Cancelled)

Communities

- Page 4** Choice & Independence - Strategic Commissioning Project 2008/09 (Cancelled)
Page 5 Choice & Independence - Care Model Development - Project 2008/09 (Cancelled)
Page 6 Respite Care - Project 2008/09 (Cancelled)
Page 7 Meals Service 2008/09 (New)
Page 8 Children In Care 2008/09 - (previously titled 'Looked after Children') - (Deferral within 2008/09)
Page 9 Child Protection 2009/10 (New) 2nd follow-up

Environment and Regeneration

- Page 10** Environmental Health 2008/09 (Cancelled)
Page 11 Grants 2008/09 (Deferral within 2008/09)
Page 12 Strategic Planning 2008/09 (Deferral within 2008/09)
Page 13 Street Cleansing 'Signature' Service 08/09 follow-up (New)
Page 14 Use of Consultants 2008/09 (New)
Page 15 Mill Hill Depot Relocation Project 2008/09 (New)

Strategy

- Page 16** Partnership Arrangements 07/08 (New) 2nd follow-up

Corporate Governance

- Page 17** Governance 2008/09 (Deferral to Q4 2009/10)

New audit in 2008/09 - Resources**SERVICE AREA:** Strategic Services - Property & Valuations Service**TITLE OF ORIGINAL AUDIT:** Income from Property and Industrial Assets**DATE AUDIT REQUESTED:** 2008/09 Quarter 4**REQUESTED BY:** Head of Asset Management**Reason(s) for the new work**

To provide assurance on the management arrangements for maximising revenue income from the letting of Council's commercial properties and let estates.

Risk to the Corporate Plan

See Above.

Client Comment

None.

Audit Comment

None.

New audit in 2008/09 - Resources**SERVICE AREA:** Strategic Finance**TITLE OF ORIGINAL AUDIT:** Business Continuity 2nd follow-up**DATE AUDIT REQUESTED:** 2009/10 Quarter 3**REQUESTED BY:** Head of Risk and Insurance**Reason(s) for the new work**

To confirm implementation of outstanding management actions identified at the first follow-up audit.

Risk to the Corporate Plan

None.

Client Comment

None.

Audit Comment

None.

Cancelled audit in 2008/09 - Resources

SERVICE AREA: Organisational Development & Customer Services

TITLE OF ORIGINAL AUDIT: Change Management Support

ORIGINAL PLANNED DATE FOR AUDIT: 2008/09 Quarter 2

REVISED PLANNED DATE FOR AUDIT: 2008/09 Quarter 4

CHANGE REQUESTED BY: Executive Director - Organisational Development & Change

Reason(s) for the change

Ownership and structure of OD and Change Management functions will be included in various proposed work streams for progressing the Council's Future Shape project and the approach and mechanisms for delivery will be agreed at Cabinet level.

Risk to the Corporate Plan

None.

Client Comment

None.

Audit Comment

None.

Cancelled audit in 2008/09 - Communities**SERVICE AREA: Adult Social Services****TITLE OF ORIGINAL AUDIT: Choice & Independence - Strategic Commissioning Project****ORIGINAL PLANNED DATE FOR AUDIT: 2008/09 Quarter 4****CHANGE REQUESTED BY: Deputy Director, Adult Social Services****Reason(s) for the change**

This audit has been selected for cancellation, as the The Strategic Commissioning Project is due to close in February 2009, having achieved its primary objective of creating a single commissioning team within Adult Social Services. The benefits delivered by this team will not be measurable until it is embedded, which will be in the 2nd half of 2009/10, at the earliest. Consequently, in early 2009/10 a review of the project would be purely retrospective while an analysis of benefits achieved would be mainly speculative. Given this, this audit has been deprioritised and cancelled.

Risk to the Corporate Plan

The Strategic Commissioning Team is one of the Council's main tools for reshaping the local social care market in line with the following initiatives that form the 'Supporting the Vulnerable' corporate priority:

1. Deliver the Vision Programme for Choice and Independence in Adult Social Services; and
2. Implement the 4 social care commissioning strategies.

Client Comment

None.

Audit Comment

None.

Cancelled audit in 2008/09 - Communities

SERVICE AREA: Adult Social Services

TITLE OF ORIGINAL AUDIT: Choice & Independence - Care Model Development - Project

ORIGINAL PLANNED DATE FOR AUDIT: 2008/09 Quarter 4

CHANGE REQUESTED BY: Assistant Director, Adult Social Services

Reason(s) for the change

This audit has been selected for cancellation, as the Care Model Development Project is due to close in February 2009, having achieved its primary objective of creating a new model for case management within Adult Social Services. The benefits delivered by this team will not be measurable until it is embedded, which will be in the late of 2009/10 at the earliest.

Consequently, in early 2009/10 a review of the project would be purely retrospective while an analysis of benefits achieved would be mainly speculative. Given this, this audit has been deprioritised and cancelled.

The Care Model Development project is delivering this new model of case management - a significant portion of it was agreed by General Functions Committee in January 2009.

Risk to the Corporate Plan

The new model of case management is one of the main tools for changing the way in which social services will be provided in Barnet, in line with the following initiatives from the 'Supporting the Vulnerable' priority in the Corporate Plan:

1. Deliver the Vision Programme for Choice and Independence in Adult Social Services.

Client Comment

None.

Audit Comment

None.

Cancelled audit in 2008/09 - Communities**SERVICE AREA:** Adult Social Services**TITLE OF ORIGINAL AUDIT:** Respite Care - Project**ORIGINAL PLANNED DATE FOR AUDIT:** 2008/09 Quarter 4**CHANGE REQUESTED BY:** Assistant Director for Adult Social Services**Reason(s) for the new work**

Due to lack of service capacity, this project has not gone ahead. This project is cancelled, but the position will be reviewed once the relevant officer has been appointed early in the new financial year.

Risk to the Corporate Plan

None.

Client Comment

Internal Audit will be contacted once the outcome of the review is known.

Audit Comment

None.

New audit in 2008/09 - Communities**SERVICE AREA:** Adult Social Services**TITLE OF ORIGINAL AUDIT:** Meals Service**DATE AUDIT REQUESTED:** 2008/09 Quarter 4**REQUESTED BY:** Director for Adult Social Services**Reason(s) for the new work**

To provide assurance on the management controls and arrangements for the Meal Service including the customer billing aspects.

Risk to the Corporate Plan

None.

Client Comment

None.

Audit Comment

The audit was conducted in Q4. We provided a 'No' Assurance .

Deferral within 2008/09 - Communities

SERVICE AREA: Children's Service

TITLE OF ORIGINAL AUDIT: Children In Care (previously titled 'Looked after Children')

ORIGINAL PLANNED DATE FOR AUDIT: 2008/09 Quarter 3

REVISED PLANNED DATE FOR AUDIT: 2008/09 Quarter 4

CHANGE REQUESTED BY: Acting Deputy Director for Safeguarding and Social Care

Reason(s) for the change

Scoping of the audit was delayed due to the completion of the 'Children Protection' audit.

Risk to the Corporate Plan

None.

Client Comment

None.

Audit Comment

Audit is in progress.

New in 2009/10 - Communities

SERVICE AREA: Children's Service

TITLE OF ORIGINAL AUDIT: Child Protection 2nd follow-up

DATE AUDIT REQUESTED: 2009/10 Quarter 2

CHANGE REQUESTED BY: Acting Deputy Director for Safeguarding and Social Care

Reason(s) for the change

To confirm implementation of outstanding management action identified at the first follow-up audit.

Risk to the Corporate Plan

None.

Client Comment

None.

Audit Comment

None.

Cancelled audit in 2008/9 - Environment and Regeneration**SERVICE AREA:** Planning, Housing and Regeneration**TITLE OF ORIGINAL AUDIT:** Environmental Health**ORIGINAL PLANNED DATE FOR AUDIT:** 2008/09 Quarter 2**CHANGE REQUESTED BY:** Head of Housing and Environmental Health**Reason(s) for the change**

The issues that generated the original request for an audit are no longer pertinent. Particularly, value for money within the service has been further demonstrated by significant additional savings being realised. Data from the Chartered Institute of Public Finance Accountants reinforces this view.

Risk to the Corporate Plan

None.

Client Comment

None.

Audit Comment

None.

Deferral within 2008/9 - Environment and Regeneration**SERVICE AREA:** Planning, Housing and Regeneration**TITLE OF ORIGINAL AUDIT:** Grants**ORIGINAL PLANNED DATE FOR AUDIT:** 2008/09 Quarter 3**REVISED PLANNED DATE FOR AUDIT:** 2008/09 Quarter 4**CHANGE REQUESTED BY:** Head of Strategy (Planning and Housing)**Reason(s) for the change**

Barnet Council's allocation of the main source of grant funding to be assessed - GAF 3 - was not confirmed by DCLG until December 2008. A report setting out the background to the grant and broad proposals for its allocation was discussed at Cabinet Briefing on 6th January 2009. Consideration of how the grant should be allocated in detail, project management of expenditure and monitoring processes are now being worked up and will provide the basis for the audit. Given the timeframe it is appropriate for this audit to be rescheduled to Q4.

Risk to the Corporate Plan

None.

Client Comment

None.

Audit Comment

The audit was conducted in Q4. We provided a 'Limited' Assurance .

Deferral within 2008/9 - Environment and Regeneration

SERVICE AREA: Planning, Housing and Regeneration

TITLE OF ORIGINAL AUDIT: Strategic Planning

ORIGINAL PLANNED DATE FOR AUDIT: 2008/09 Quarter 1

REVISED PLANNED DATE FOR AUDIT: 2008/09 Quarter 2

CHANGE REQUESTED BY: Director of Planning, Housing and Regeneration

Reason(s) for the change

Due to integration of services and the formation of the new Directorate.

Risk to the Corporate Plan

None

Client Comment

None

Audit Comment

The audit was conducted in Q2. We provided a 'Satisfactory' Assurance .

New audit in 2008/9 - Environment and Regeneration

SERVICE AREA: Environment and Transport

TITLE OF ORIGINAL AUDIT: Street Cleansing 'Signature' Service - follow-up

DATE AUDIT REQUESTED: 2008/09 Quarter 4

REQUESTED BY: Director of Environment and Transport

Reason(s) for the new work

Management wanted confirmation of implementation of actions agreed.

Risk to the Corporate Plan

None.

Client Comment

None.

Audit Comment

The follow-up was conducted in Q4. We provided a 'Full' Assurance.

New audit in 2008/9 - Environment and Regeneration

SERVICE AREA: Environment and Transport

TITLE OF ORIGINAL AUDIT: Use of Consultants

DATE AUDIT REQUESTED: 2008/09 Quarter 4

REQUESTED BY: Acting Director of Environment and Transport

Reason(s) for the new work

To provide assurance on the use of consultants in Environment and Transport.

Risk to the Corporate Plan

None.

Client Comment

None.

Audit Comment

The audit was conducted in Q4. We provided a 'No' Assurance .

New audit in 2008/9 - Environment and Regeneration

SERVICE AREA: Major Projects

TITLE OF ORIGINAL AUDIT: Mill Hill Depot Relocation Project

DATE AUDIT REQUESTED: 2008/09 Quarter 4

REQUESTED BY: Audit Committee

Reason(s) for the new work

To provide the Audit Committee with assurance on the Project Governance and risk management arrangements for the Depot Relocation Project.

Risk to the Corporate Plan

None.

Client Comment

None.

Audit Comment

The audit was conducted in Q4. We provided a 'Satisfactory' Assurance .

New audit in 2008/09 - Strategy**SERVICE AREA:** Communications**TITLE OF ORIGINAL AUDIT:** Partnership Arrangements 07/08 2nd follow-up**DATE AUDIT REQUESTED:** 2008/09 Quarter 4**REQUESTED BY:** Policy and Partnerships Group Manager**Reason(s) for the new work**

To confirm implementation of outstanding management actions identified at the first follow-up audit.

Risk to the Corporate Plan

None.

Client Comment**Post Audit Comment:**

Director of Corporate Governance - appropriate arrangements will be in place to ensure that there will be full mitigation of the risks by the projected dates.

Audit Comment

The audit was conducted in Q4. We provided a 'Limited' Assurance .

Deferred from 2008/09 to Q4 2009/10 Corporate Governance

SERVICE AREA: Internal Audit and Ethical Governance

TITLE OF ORIGINAL AUDIT: Governance

ORIGINAL PLANNED DATE FOR AUDIT: 2008/09 Quarter 4

REVISED PLANNED DATE FOR AUDIT: 2009/10 Quarter 4

CHANGE REQUESTED BY: Director of Corporate Governance

Reason(s) for the change

There would have been difficulty in progressing this audit as little progress has been made to promote governance, due to staff changes within Corporate Governance and a number of acting-up positions at senior management level in the Council.

Risk to the Corporate Plan

None.

Client Comment

None.

Audit Comment

None.

Internal Audit Performance Indicators 2008-09 @ 31.05.2009

PI Ref	PERFORMANCE INDICATOR	TARGET 2008/09 (annual & cumulative)	2008-09 Position at end of:			
			Q1	Q2	Q3	Q4 @ 31.5.09
1	Percentage of 2008/09 audit plan completed compared to what was planned.	87.5% This is the combined figure for systems, follow-ups and projects.	3% complete or at draft report plus 9% at various stages of work in progress	22% complete or at draft report plus 28% at various stages of work in progress	53% complete or at draft report plus 45% at various stages of work in progress	95% complete or at draft report plus 5% at various stages of work in progress
2	Percentage of Audit reports followed up within 12 months of issue of final report	100%	2% complete or at draft report plus 12% at various stages of work in progress	24% complete or at draft report plus 22% at various stages of work in progress	58% complete or at draft report plus 40% at various stages of work in progress	100% complete

Appendix D

Risk Analysis Annual Report 2008-09		IIA Category						Total	Priority 1	Priority 2
		1	2	3	4	5	6			
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 Laws and Regulations Any Non-compliance needs to be reported to the Monitoring Officer.	Non Compliance with Policies and Procedures	Objectives/ goals not achieved			
Resources	Data Quality (KLOE)	0	0	0	0	2	0	2	0	2
Resources	Resources (LG Pensions Admin and Pension Fund)	1	0	0	0	0	3	4	0	4
Resources	EDRM Project	0	0	0	0	0	2	2	0	2
Resources	Housing Benefits	0	0	1	0	1	0	2	0	2
Resources	Accounts Payable	1	0	0	0	0	0	1	0	1
Communities: Children's Service	Connexions Transition	0	1	0	0	2	0	3	0	3
Communities: Children's Service	Primary Schools Capital Investment Programme	0	0	0	0	0	0	0	0	0
Communities: Children's Service	Cleaning Contract - Safeguarding Children	1	0	0	0	0	2	3	1	2
Communities: Children's Service	Child Protection	0	0	0	0	0	1	1	0	1
Communities: Adult Social Services	Respite Care	1	2	2	0	1	5	11	0	11
Communities: Adult Social Services	Fair Pricing Tool	0	0	5	0	3	0	8	0	8
Communities: Adult Social Services	Data Quality BVPI	2	0	0	0	0	1	3	0	3
Communities: Adult Social Services	Meals Service	2	0	2	0	1	3	8	4	4
Communities: Adult Social Services	Telecare Service	4	0	0	0	0	2	6	4	2
Communities: Adult Social Services	Supply Management (Priorities)	0	0	0	0	3	0	3	0	3
Communities: Adult Social Services	Choice and Independence Programme Governance	0	0	0	0	0	1	1	1	0
Environment and Regeneration: Environment and Transport	Street Cleansing 'Signature' Service	0	0	0	0	1	0	1	0	1
Environment and Regeneration: Environment and Transport	Administration of Term Contracts	0	0	0	0	1	0	1	0	1
Environment and Regeneration: Environment and Transport	Final Accounts	1	0	1	0	2	2	6	0	6
Environment and Regeneration: Environment and Transport	Parking Pay & Display Maintenance & Cash Collection	3	1	1	0	1	2	8	3	5
Environment and Regeneration: Environment and Transport	Use of Consultants	1	1	0	0	1	3	6	3	3
Environment and Regeneration: Environment and Transport	Recycling	0	0	0	0	0	0	0	0	0
Environment and Regeneration: Environment and Transport	Transport	0	0	0	0	2	0	2	0	2
Environment and Regeneration: Planning, Housing and Regeneration	Strategic Planning	0	0	0	0	0	1	1	0	1
Environment and Regeneration: Planning, Housing and Regeneration	Regeneration	0	0	0	0	0	2	2	1	1
Environment and Regeneration: Planning, Housing and Regeneration	Grants	0	0	0	0	2	1	3	1	2
Environment and Regeneration: Planning, Housing and Regeneration	Barnet Homes Monitoring	0	0	0	0	1	3	4	1	3
Environment and Regeneration: Planning, Housing and Regeneration	Service Restructure	0	0	0	0	0	0	0	0	0
Environment and Regeneration: Major Projects	Procurement and Contracts - Systems and Processes	1	1	1	0	2	3	8	2	6
Environment and Regeneration: Major Projects	Procurement and Contracts - Service Compliance	2	0	1	0	1	0	4	3	1
Environment and Regeneration: Major Projects	Mill Hill Depot Relocation Project	0	0	0	0	0	3	3	0	3
Corporate Governance	Data Protection Act 1998	2	0	3	0	1	0	6	2	4
Corporate Governance	Trading Standards and Licensing	0	0	1	0	0	0	1	0	1
Corporate Governance	Barnet Drug and Alcohol Service	2	0	2	0	1	3	8	4	4
Corporate Governance	Internal Control Checklist	2	0	0	0	0	2	4	0	4
TOTALS		26	6	20	0	29	45	126	30	96
								% of total	24%	76%