

	<p style="text-align: center;">Audit Committee</p> <p style="text-align: center;">2nd November 2017</p>
<p style="text-align: center;">Title</p>	<p>Internal Audit Exception Recommendations Report and Q2 Progress Report 1st July to 30th September 2017</p>
<p style="text-align: center;">Report of</p>	<p>Caroline Glitre – Head of Internal Audit</p>
<p style="text-align: center;">Wards</p>	<p>N/A</p>
<p style="text-align: center;">Status</p>	<p>Public with exempted Appendix</p>
<p style="text-align: center;">Enclosures</p>	<p>Appendix 1 - Internal Audit Q2 progress report (1st July to 30th September 2017) Appendix 2 (exempt) - Prevent follow-up audit report Not for publication by virtue of Sections 100A-H and Schedule 12A Local Government Act 1972</p>
<p style="text-align: center;">Officer Contact Details</p>	<p>Caroline Glitre, Head of Internal Audit caroline.glitre@barnet.gov.uk 020 8359 3721</p>

Summary

Members are asked to note Appendix 1, which reports the progress against internal audit recommendations and work completed to date on the Internal Audit & Corporate Anti-Fraud Team (CAFT) Plan 2017-18 and high priority internal audit recommendations.

We have completed 34 audits, [34%] of our 2017/18 internal audit programme for the year, 16 of which were delivered in Q2, which is below the target for the agreed profile for our work.

The reporting of this PI currently represents the number of audits at final report stage divided by the number of planned audits for the year to date. Any 'work in progress' is currently not taken into consideration when measuring performance. This means that in the majority of our quarterly reports we appear to be not meeting our target; however this could be misleading as we are comfortable that we will meet the target by year end due to there being a number of other audits underway. We propose changing the reported figure to include recognition of the work underway as follows:

If at 'draft report' stage, we would consider this to be 90% complete

If at 'fieldwork' stage, we would consider this to be 50% complete

If at 'planning' stage, we would consider this to be 20% complete

Detail has been presented within the report on audits that were given 'No' or 'Limited' assurance in Q2:

		Assurance rating
1	Regeneration – Benefits Realisation	Limited
2	Menorah High School for Girls	Limited

Full copies of 'No' and 'Limited' Assurance audit reports are available on the Barnet website here:

<http://barnet.moderngov.co.uk/ecCatDisplay.aspx?sch=doc&cat=13619&path=0>

The report also includes summaries of the following reviews completed in the quarter:

- IT Risk Diagnostic
- General Data Protection Requirements readiness assessment
- IT Change Management follow-up
- Follow-up of high priority recommendations due in the quarter
- As requested at the July Audit Committee, follow-up of medium priority recommendations on:
 - Nursery Places - Free Early Education Funding
 - Community Infrastructure Levy (CILS) and Section 106 (S106) – Phase I, Income
- Follow-up of Contract Register Maintenance medium priority recommendations; our 2017/18 plan included resource for following up a selection of medium priority recommendations during the year.

Family Services audits

As part of the 2017/18 audit plan agreed by the Audit Committee in April 2017, we proposed to undertake a number of audits relating to Family Services. As reported to the Audit Committee in Q1, due to the Council having been inspected by Ofsted during the quarter, those audits planned for Q1 were provisionally moved to later in the year.

Since the Ofsted inspection, we have been working with the Director of Children's Services and the Inspection & Improvement Lead to agree the most effective way for internal audit to support the Family Services Improvement Programme.

We are seeking Audit Committee agreement to the following proposed change to the 2017/18 audit plan. We will report back to the Audit Committee against this on a quarterly basis:

Provisional audit title	Provisional timing	Plan section	Proposal November 2017
Council Support for Children's Safeguarding (Conditions for Success)	Q1 and Q2	Cross-cutting	<ul style="list-style-type: none"> Utilise this audit resource to support delivery of the Improvement Plan by mapping previous relevant audit recommendations to the improvement plan to ensure they are followed up 'Embedded assurance' - be part of the governance structure that will support implementation of the Improvement Plan e.g. by challenging performance data and project management arrangements Undertake to provide independent assurance that progress being reported against the Improvement Plan is supported by evidence Create 'Safeguarding Assurance Map' Liaise with the Independent Chair of the Improvement Board to keep him informed as to progress
Safeguarding – Health Visitors and School Nurses	Q1	Public Health	
Domestic Violence	Q1	Cross-cutting	
Vulnerable Adolescents	Q3	Cross-cutting	
Review of post-Ofsted visit Practice Improvement plan	Q4	Family Services	

Prevent

During the quarter we completed our follow-up review of the council's arrangements for the Prevent aspect of the Contest Framework, the Government's overall counter terrorism strategy. The full report is provided to Members as an exempt paper at Appendix 2.

As per the Access to Information Procedure Rules this item is exempt as it falls under the following category:

- Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

Recommendations

1. That the Committee note the work completed to date on Internal Audit Q2 progress report - 1st July to 30th September 2017.
2. That the Committee approves the change in measurement of Progress Against the Plan to incorporate consideration of work in progress.

3. That the Committee approves the proposed changes to the 2017/18 audit plan for Family Services detailed above.
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1. WHY THIS REPORT IS NEEDED

- 1.1 The Audit Committee's role in receiving this report is to note the overall progress made against the 2017-18 Internal Audit Plan and the high priority recommendations made. In addition, the Audit Committee can inquire of Directors and Assistants Directors as to their progress against recommendations.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Audit Committee approved the Internal Audit Plan 2017-18 in April 2017 and this report notes the progress against that plan and progress against high priority recommendations.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not relevant.

4. POST DECISION IMPLEMENTATION

- 4.1 The Internal Audit Plan 2017-18 will continue to be delivered as reported to the Audit Committee with recommendations implemented in line with the report.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 All internal audit and risk management planned activity is aligned with the Council's objectives set out in the Corporate Plan 2015-2020, and thus supports the delivery of those objectives by giving an auditor judgement on the effectiveness of the management of the risks associated with delivery of the service.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 When internal audit findings are analysed alongside finance and performance information it can provide management with the ability to assess value for money.
- 5.2.2 The Internal Audit Plan 2017-18 agreed by the Audit Committee is being achieved from Internal Audit's current budget.

5.3 Legal and Constitutional References

- 5.3.1 There are no legal issues in the context of this report.
- 5.3.2 The Council's Constitution, Responsibilities for Functions - the Audit

Committee terms of reference paragraph 2 states that the Committee can consider summaries of specific internal audit reports as requested.

5.4 Risk Management

5.4.1 All Internal Audit activity is directed toward giving assurance about risk management within the areas examined. By so doing the aim is to help maximise the achievement of the Council's objectives. Internal Audit does this by identifying areas for improvement and agreeing actions to address the weaknesses.

5.4.2 Internal Audit work contributes to increasing awareness and understanding of risk and controls amongst managers and thus leads to improving management processes for securing more effective risk management.

5.5 Equalities and Diversity

5.5.1 Effective systems of audit, internal control and corporate governance provide assurance on the effective allocation of resources and quality of service provision for the benefit of the entire community. Individual audits assess, as appropriate, the differential aspects on different groups of individuals to ensure compliance with the Council's duties under the 2010 Equality Act.

5.6 Consultation and Engagement

5.6.1 N/A

6. BACKGROUND PAPERS

6.1 Audit Committee 11 March 2010 (Decision Item 11) - the Committee accepted that there would be progress reports to all future meetings of the Committee and, that for all "limited" or "no assurance" audits, there should be a brief explanation of the issues identified.

<http://barnet.moderngov.co.uk/Data/Audit%20Committee/201003111900/Agenda/Document%208.pdf>

6.2 Audit Committee 21 September 2010 (Decision Item 7) – the Committee agreed that where an audit had limited assurance that greater detail be provided than previously.

<http://barnet.moderngov.co.uk/Data/Audit%20Committee/201009211900/Agenda/Document%203.pdf>

6.3 Audit Committee 17 February 2011 (Decision Item 7) – the Committee (i) agreed that a report would be prepared quarterly regarding those internal audit recommendations not implemented (ii) requested that the table of priority 1 recommendations should in future indicate what date recommendations were made to service areas and the implementation date.

<http://barnet.moderngov.co.uk/Data/Audit%20Committee/201102171900/Agenda/Document%204.pdf>

- 6.4 Audit Committee 20 April 2017 (Decision Item 10) – the Audit Committee approved the Internal Audit and Anti-Fraud Strategy and Annual Plan 2017-18.

<https://barnetintranet.moderngov.co.uk/documents/g8829/Printed%20minutes%2020th-Apr-2017%2019.00%20Audit%20Committee.pdf?T=1>