

# Audit and Performance Committee Report

<b>Meeting:</b>	Audit and Performance Committee
<b>Date:</b>	1 February 2018
<b>Classification:</b>	For General Release
<b>Title:</b>	Internal Audit Plan 2018/19
<b>Wards Affected:</b>	All
<b>Financial Summary:</b>	The Council's budget
<b>Report of:</b>	Steven Mair, City Treasurer (Section 151 Officer)
<b>Report author:</b>	Moira Mackie, Senior Manager; email: <a href="mailto:moira.mackie@rbkc.gov.uk">moira.mackie@rbkc.gov.uk</a> Tel: 020 7854 5922

## 1. Executive Summary

- 1.1 The Internal Audit Plan has been reviewed to reflect the changes in the Council's structure and to ensure that our audit work addresses key risks during a period of change and general financial constraints. The Audit Plan includes sufficient audit coverage to enable us to provide an overall opinion on the Council's control framework and is sufficiently flexible to allow for additional reviews to be added in areas where support and/or advice may be required.
- 1.2 The draft Audit Plan for 2018/19 is contained in Appendix 1 to this report.

## 2. Recommendation

That the Committee review the internal audit plan for 2018/19 as set out in Appendix 1 and consider:

- Does the plan cover the organisation's key risks as they are recognised by the Members of the Audit & Performance Committee?
- Does the plan reflect the areas that the Members of the Audit & Performance Committee believe should be covered as priority?
- Are the Members of the Audit & Performance Committee satisfied that sufficient assurances are being received to monitor the organisation's risk

profile effectively, including any emerging issues / key risks not included in our annual plan?

### **3. Background, including Policy Context**

- 3.1 The Council's internal audit is provided by the Tri-borough Internal Audit Service which is managed by the Royal Borough of Kensington & Chelsea (RBKC). Internal Audit is required to provide the S151 Officer, the Executive Management Team and the Audit & Performance Committee with an opinion on the adequacy and effectiveness of the Council's governance, risk management and control arrangements. This opinion is predominantly based on the outcomes from the audit work undertaken each year. The work carried out by the Council's Internal Audit Service in the financial year 2016/17 found that, in the areas audited, internal control systems were generally effective with good progress made to improve controls in the areas where weaknesses were identified.

A description of each level of assurance is shown below:

<b>Assurance Level</b>	<b>Details</b>
Substantial assurance	There is a sound system of control designed to achieve the objectives. Compliance with the control process is considered to be substantial and no significant errors or weaknesses were found.
Satisfactory assurance	While there is a basically sound system, there are weaknesses and/or omissions which put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
Limited assurance	Weaknesses and / or omissions in the system of controls are such as to put the system objectives at risk, and/or the level of non-compliance puts the system objectives at risk.
No assurance	Control is generally weak, leaving the system open to significant error or abuse, and/or significant non-compliance with basic controls leaves the system open to error or abuse.

- 3.1 The draft Internal Audit Plan for 2018/19 is attached as Appendix 1 to this report. It should be noted that this Plan is an early draft and will be subject to some amendment before the final Plan is published in March 2018. In addition, it is recognised that changes in priorities arise during the course of a year and the Audit Plan will be reviewed on a regular basis to reflect these changes.

- 3.2 The Internal Audit Plan, once finalised, will include sufficient audit coverage to enable an opinion to be reached on the Council's control framework as well as including a contingency allowance for additional reviews in areas where support and/or advice may be required, as agreed with the Council's Section 151 Officer.
- 3.3 The Audit & Performance Committee Members are reminded that internal audit is only one source of assurance and through the delivery of our plan, we will not, and do not, seek to cover all risks and processes at the Council. We will however, seek to work closely with other assurance providers, such as External Audit, to ensure that duplication is minimised and a suitable breadth of assurance obtained.

**If you have any queries about this Report or wish to inspect any of the Background Papers please contact:**

**Moir Mackie on 020 7854 5922 Email: [moira.mackie@rbkc.gov.uk](mailto:moira.mackie@rbkc.gov.uk)**

## **BACKGROUND PAPERS**

Internal Audit Planning Files

Business Plans and Strategic Risk Registers

Westminster City Council  
Audit & Performance Committee  
1 February 2018  
Draft Internal Audit Plan  
2018/19



City of Westminster

**Audit & Performance Committee – 1 February 2017**  
**Draft Internal Audit Plan 2018/19**

**1. Introduction**

- 1.1 The Internal Audit Plan has been prepared following discussions with Senior Managers at the Council and includes reference to the Council's Objectives or key risks where these are relevant. Balancing audit resources across the Council's activities takes into account the Council's objectives, change, priorities and risk with cyclical reviews planned in operational areas across a three-year period, where possible. Areas of high risk have been identified and included in the plan as well as cyclical & thematic reviews in areas of lower financial risk (e.g. schools).
- 1.2 In addition, areas of fraud risk have been identified and evaluated by the Corporate Anti-Fraud Service and this information will be used to inform and focus the scope of some of the planned audits as well as identifying areas where pro-active exercises and data analytics can provide additional assurance that fraud risks are effectively managed.
- 1.3 The implementation of a revised Managed Service for the provision of payroll, HR and finance services during 2018/19 is a significant change for the Council and the Audit Plan includes time to provide support and assurance, before, during and after the change in service provision.
- 1.4 The establishment of bi-borough Departments to provide Adult's, Children's and Public Health services is expected to be complete by the end of March 2018, although it is noted that some services will remain as tri-borough past this date. To maximise the use of audit resources and to enable best practice and benchmarking to be undertaken, planned audits in these areas will continue to be provided for the three Councils wherever possible, although separate audit reports will be provided, where appropriate. Some audits will cut across the three service areas (ASC / PH / CHS) and where this is known, this has been identified in the plan.

**2. Audit Resources**

- 2.1 The table below shows an **estimate** of the audit resources required to fulfil the Council's Audit Plan for the 2018/19 financial year (with 2017/18 figures for comparison purposes). In areas where services are provided on a shared basis with other councils, the number of days assigned to the audit is shared across the councils. The table includes an estimate of the days chargeable to the Council for these audits although it should be noted that the planned audit days in the shared service areas have not yet been finally agreed and the table below will be updated once consultation across the councils has been completed.

**Audit & Performance Committee – 1 February 2017**  
**Draft Internal Audit Plan 2018/19**

<b>Audit Coverage</b>	<b>Westminster Council Estimated Planned Audit Days</b>	
	<b>2018/19</b>	<b>2017/18</b>
Adult Social Care & Public Health*	130	130
Children's Services*	130	160
Corporate Services*	445	450
City Treasurer*	180	130
Policy, Performance and Communications	45	55
Growth, Planning Housing	150	140
City Management & Communities*	150	150
Contingency/ Management	195	210
<b>Audit Days</b>	<b>1,425</b>	<b>1,425</b>

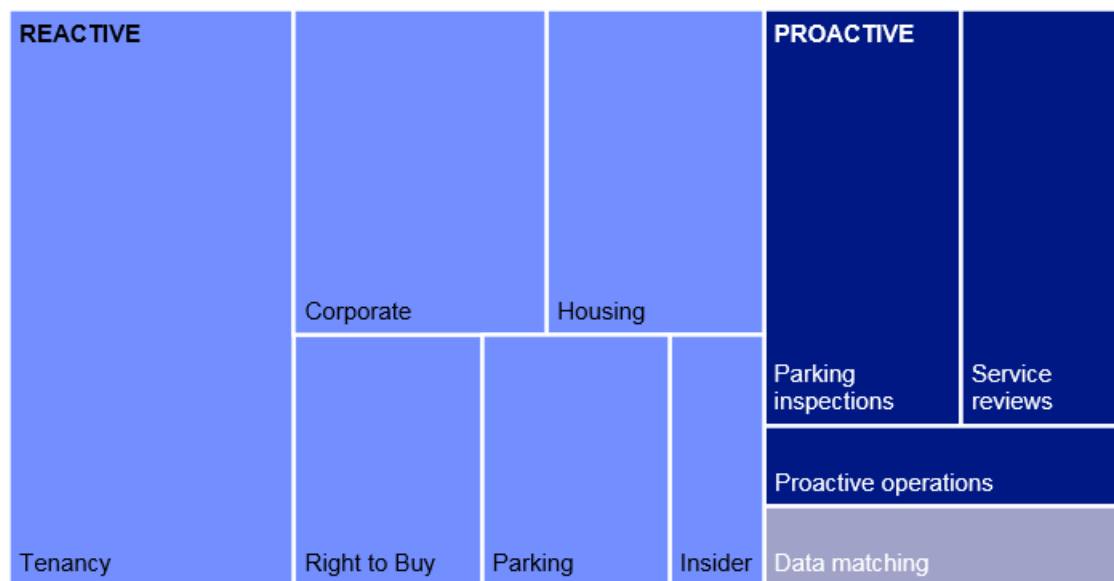
\*These areas include Shared Services audits. The days for shared service audits are apportioned across the councils.

**Audit & Performance Committee – 1 February 2017  
Draft Internal Audit Plan 2018/19**

**3. Corporate Anti-Fraud Service**

- 3.1 The work undertaken by the Corporate Anti-Fraud Service (CAFS) complements the work of Internal Audit and provides additional assurance to the Council that fraud risks are being managed effectively. Reactive and proactive work is planned during 2018/19 by CAFS in the following areas:

**Fraud investigation activity 2018/19**



**Audit & Performance Committee – 1 February 2017**  
**Draft Internal Audit Plan 2018/19**

- 3.2 The table below shows the different areas of CAFS activity planned during 2018/19 together with an **estimate** of the resources planned against each activity:

<b>Anticipated reactive referrals (days)</b>	
Tenancy fraud	280
Right to Buy	80
Housing fraud	120
Insider fraud	40
Corporate investigations	140
Parking	80
<b>Proactive activity (days)</b>	
Service reviews (fraudits)	120
Proactive operations	50
Parking inspections	150
<b>Data analytics (days)</b>	
Data matching	50
<b>Total days allocated</b>	<b>1,110</b>



**Audit & Performance Committee – 1 February 2017**  
**Draft Internal Audit Plan 2018/19**

The Audit Plan for each of the Council's Departments is shown below, with the audits shown under the risks identified in the Council's Risk Register, where appropriate. Where cyclical and thematic reviews are planned, these are identified and where audits may cover the activities of more than one Department, this is also shown:

**Adult Social Care (ASC) & Public Health (PH):**

<b>Risk:</b>	<b>Complexity of Change programmes in Adult Social Care and the NHS</b>	
<b>Risk:</b>	<b>Complexity of geographical boundaries for developing integrated services could lead to inconsistent multi-disciplinary team service designs in local CCG</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
1. Partnership working with Health & CCGs	Deferred from the 2017/18 plan. PH funding to LAs includes a requirement to give a defined core offer back to CCGs. A draft Memorandum of Understanding (MOU) was developed but not yet approved. To consider Governance; Development of Core Offer; Resource Planning and Management; Outcome Monitoring.	
2. Community Independence Service	The tri-borough contribution is £5million of a total cost of £18 million. These are managed under S75 contracts which are now due for renewal. The arrangements will be reviewed in 2018/19, any audit would need to coordinate with the review.	
3. Mental Health	Could include S117s although these considered less of an issue now that changes agreed re legal interpretation for charges & refunds. Audit to include a review of: Strategy; Policies and Procedures; Services Provided; Assessment and Eligibility Criteria; Charges and Charging Policy; Resource Management; and Management Information. Would be useful to look at Trust staff time split between social work and health work. Scope would need to be clarified and specific on coverage prior to audit.	

<b>Risk:</b>	<b>Termination of tri-borough arrangements with LBHF</b>	
<b>Risk:</b>	<b>Limited competition in the marketplace may adversely affect procurement outcomes</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
4. Procurement & Management of the Contract for providing Community Equipment	Large framework contract available to other London Boroughs. Initial stages of procurement reviewed in 2016/17. To consider the full procurement exercise to verify compliance with expected controls and consider the arrangements in place for ensuring that the contract is managed effectively.	
5. Commissioning: Procurement & Market Management	This service is being unified into a single commissioning division. Expected to initially have teams for each of the three services. New ASC contracts include: LD Accommodation & Support; MH Accommodation; MH Day Centres; Extra Care Housing; OP & Dementia. To consider review of procurement governance; procurement strategy and plans; business transition reviews and action plus resource plans; selection of contracts to test; (market management).	
6. Commissioning: Contract Management of a sample of contracts	Contract formalities: This service is being unified into a single commissioning division. Expected to initially have teams for each of the three services (ASC/ PH/ CHS). Possible high level review of the new organisation followed by testing a sample of contracts. Consider whether to focus on specific parts of contract management or specific contracts	

**Audit & Performance Committee – 1 February 2017**  
**Draft Internal Audit Plan 2018/19**

<b>Risk:</b>	<b>Termination of tri-borough arrangements with LBHF</b>
<b>Risk:</b>	<b>Limited competition in the marketplace may adversely affect procurement outcomes</b>
<b>Audit:</b>	<b>Proposed Scope:</b>
7. Health Intelligence and Joint Strategic Needs Assessment	Deferred from the 2017/18 plan. The intelligence team lead on these areas. The audit coverage should consider the evaluation of services and focus on delivery.

<b>Cyclical Reviews:</b>	
8. Day Centres (Droop Street & Lisson Grove)	Single audit of all day centres which include: for WCC the LD day services are Droop Street, and Lisson Grove. To consider: Policies, Procedures, Legislation; Referrals and Assessments; Risk Assessments; Staffing; Procurement; Income and Client Monies.
9. Information Governance (see also CHS Plan)	Review of statutory compliance – will need to be undertaken across the three service areas (ASC/ PH/ CHS).

**Audit & Performance Committee – 1 February 2017**  
**Draft Internal Audit Plan 2018/19**

### Children's Services:

The Audit Plan in this area identifies an alternative approach to auditing schools which is proposed to replace the previous 3-year cyclical review, which has been in place for many years. In 2018/19 it is planned to undertake reviews at schools where either the previous audit has resulted in a limited assurance opinion, the school has been identified by Ofsted as requiring improvement or the school is predicting a funding deficit. In addition, a number of thematic reviews will be undertaken across schools to assist the service to evaluate compliance in key areas.

<b>Risk:</b>	<b>Termination of Tri-borough Arrangements with LBHF.</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
1. Early Help (including Youth Offending Team)	An audit planned for LBHF – may be relevant for Bi-bo depending on outcome from LBHF audit. TBC - Will depend on the structure, Tri/Bi or sovereign services.	
2. Troubled Families – reporting and funding arrangements	Verification of data for grant claims submissions.	
3. SEN (6 months in)	An audit planned for LBHF – may be relevant for Bi-bo depending on outcome from LBHF audit	
4. Commissioning: Procurement and market management	See ASC/ PH – single commissioning division?	
5. Commissioning: Contract Management	See ASC/ PH – single commissioning division?	

<b>Risk:</b>	<b>Failure to meet the needs and expectations of our customers &amp; politicians.</b>	
<b>Risk:</b>	<b>Failure to deliver a statutory service.</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
6. Business Continuity	Review whether local level arrangements are sufficiently robust to provide services.	
7. S17 Payments	TBC	

<b>Risk:</b>	<b>If serious harm comes to a child or young person to who we have a duty of care for, then the Council and/ or partner agencies could be seen to be at fault.</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
8. Looked After Children	TBC	
9. Family Support & Safeguarding	Review requested by LBHF – coverage for WCC & RBKC to be discussed with Bi-bo service. RBKC to consider the referrals process from Grenfell Dept.	
10. Multi-Agency Safeguarding Hub (MASH)	TBC	

**Audit & Performance Committee – 1 February 2017**  
**Draft Internal Audit Plan 2018/19**

<b>Risk:</b>	<b>Failure in legal duty to ensure sufficient childcare provision to meet local need through effective provider engagement and delivery.</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
11. Childcare Funding (30 hours)	Higher provision rules came in Sept 2017 and service would like a review of first year of performance.	

<b>Risk:</b>	<b>If breaches are not being handled efficiently and the right persons are not being made aware then we fail in our duty of care to keep the information of families secure. This could result in: reputational harm; penalty sanctions; and severe distress to families as a consequence of any data breaches.</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
12. General Data Protection Regulation(GDPR)	Following implementation of GDPR in May 2019, this will be a review of how the department has approached compliance with the focus on how information is disseminated to local services e.g. schools and other external agencies.	
13. See also Information Governance Audit in ASC/PH	Review of statutory compliance – will need to be undertaken across the three service areas (ASC/ PH/ CHS).	

<b>Cyclical Reviews:</b>		
14. Procurement:	SEN Transport: Timing depends on the stage of procurement and whether audit will be reviewing processes during the procurement. Youth Service: Review currently on-going and will see a different service being commissioned for September 2018.	
<ul style="list-style-type: none"> <li>• SEN Transport Re-Procurement;</li> <li>• Youth Service Re-Procurement</li> </ul>		
15. Contract Management:	Contract with externalised service now part of Academy chain and operating nationally. Look at contract monitoring and management arrangements. Consider inclusion of review of statutory risks e.g. H&S	
<ul style="list-style-type: none"> <li>• Exclusions &amp; Tri-borough Alternative Provision</li> </ul>		
16. Establishment Audits (non-schools): TBC at WCC	TBC whether required at WCC (establishments at RBKC identified as Olive House and St Marks)	

**Audit & Performance Committee – 1 February 2017**  
**Draft Internal Audit Plan 2018/19**

<b>Schools:</b>		
<b>Risk:</b>	<b>The changing relationship with schools; we need to ensure effective financial standards and processes are in place in all schools.</b>	
17. Targeted Reviews: <ul style="list-style-type: none"> <li>Schools TBC</li> </ul>	All schools previously receiving limited assurance or identified with issues from Ofsted reviews or projected budget deficit. Schools to be included not yet confirmed. Updated schools audit programme to be used.	
18. Thematic Reviews (possible areas): <ul style="list-style-type: none"> <li>Recruitment;</li> <li>IR35 Compliance;</li> <li>Procurement;</li> <li>GDPR;</li> <li>IT Security;</li> <li>Health &amp; Safety.</li> </ul>	Undertake thematic reviews across the school population to review compliance. Actual areas to be covered to be agreed.	

**Audit & Performance Committee – 1 February 2017**  
**Draft Internal Audit Plan 2018/19**

### Corporate Services:

The changes in Managed Services provider (HR, Payroll & Finance Services) during 2018/19, which is being led by the Shared Services Director of Corporate Services, is a significant change for the Council and this has been reflected in the Plan. Some audits which relate to the Finance elements of the Managed Service are contained in the City Treasurer's section of the Plan. It should be noted that some audits of procurement and contract management are contained in departmental sections of the Plan, but these audits may still require input from the Council's Corporate Services Procurement Team.

### ICT Related Audits:

<b>Risk:</b>	<b>Council Objective – Smart Council – is not achieved</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
1. Digital Transformation Programme	WCC - Benefits and management (may be council wide)  RBKC - Review of approach to digitalisation of customer services and implementation of related third party software applications.	

<b>Risk:</b>	<b>Council is a Victim of a Cybercrime Incident</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
2. Cyber Security	Review will follow up key high risk areas identified in the 201718 Cyber Security audit and how these are being managed. Includes councils approach to Cyber Security, emerging threats, compliance with best practice (Cyber Security Essentials) across related areas including remote access, VPNs, operating systems, email security, multifactor authentication and incident management.	

<b>Risk:</b>	<b>Data breaches could result in harm to one or many council customers;</b>	
<b>Risk:</b>	<b>Significant reputational damage may occur resulting in loss of trust in the Council;</b>	
<b>Risk:</b>	<b>Fines from the regulator (ICO) may be incurred;</b>	
<b>Risk:</b>	<b>Accidental or malicious loss or retention of data.</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
3. General Data Protection Regulation (GDPR) Compliance	Review of compliance with new GDPR requirements (effective May2018) and adoption of best practice by services in relation to data management protection and governance post GDPR implementation date.	
4. Web, Internet and Email Security	Consider outcomes of IT Health Checks but may include review of security arrangements for web based portals, internet access, email use including O365, Windows 10 upgrade and multifactor authentication.	
5. Network & Firewall Security including Public Sector Network Compliance (PSN)	Review of intrusion, detection, prevention of unauthorised access to council networks, penetration testing and firewall security arrangements. This review follows on from the 201718 Network Security	

**Audit & Performance Committee – 1 February 2017**  
**Draft Internal Audit Plan 2018/19**

<b>Risk:</b>	<b>Data breaches could result in harm to one or many council customers;</b>
<b>Risk:</b>	<b>Significant reputational damage may occur resulting in loss of trust in the Council;</b>
<b>Risk:</b>	<b>Fines from the regulator (ICO) may be incurred;</b>
<b>Risk:</b>	<b>Accidental or malicious loss or retention of data.</b>
<b>Audit:</b>	<b>Proposed Scope:</b>
	audit and any key findings will be followed up as part of this review. Review of PSN compliance and mitigating controls implemented to address key PSN risks.

**Procurement Related Audits:**

<b>Risk:</b>	<b>Failure to follow procurement process leading to delays in procurement and additional incurred costs or legal challenge.</b>
<b>Audit:</b>	<b>Proposed Scope:</b>
6. Procurement - Integrity	Sample of procurements: Compliance with the Council's requirements for reporting declarations of interest/ Bribery Act/ Gifts & Hospitality for example, risk assessments, understanding of ethical standards etc.
7. Provision of Procurement Expertise	Review of governance arrangements to ensure that any arrangement to provide procurement expertise outside of the Council is appropriately managed and risks to the Council limited.
8. Supplier Resilience	Consider policy/processes/ guidance to monitor health of companies. Identify any high priority/ high value contracts. Consider continuity of service e.g. escalation plans, continuity plans, monitoring and reporting.

**HR Related Audits:**

<b>Risk:</b>	<b>Persistent payroll and Pensions errors.</b>
<b>Audit:</b>	<b>Proposed Scope:</b>
9. Pensions Admin	Consideration of new managed service provider and integration with the service provided by Surrey CC.
10. Payroll	Scope of audit to be determined following discussion with new service provider (who manages the audit plan for the service).

**Audit & Performance Committee – 1 February 2017**  
**Draft Internal Audit Plan 2018/19**

**Managed Services General:**  
 (see also specific audits in City Treasurer and HR sections of the Audit Plan)

<b>Risk:</b>		<b>Replacement Managed Services (MS) (specific risks not yet identified in risk register)</b>
<b>Audit:</b>		<b>Proposed Scope:</b>
11. Replacement MS: Programme & Project Input – SAP		General input from IA on major programmes
12. Replacement MS: ICT Related		Review of key ICT related risks arising from transfer to new integrated Finance, HR and Payroll solution from Agresso. Includes data transfer, system interfaces, system administration, business continuity and disaster recovery arrangements.
13. Replacement MS: Assurance to the Board		Gap analysis and alternative delivery solutions.
14. Replacement MS: Data		Data reliability, data cleanse, data cut off and data migration.
15. Replacement MS: Additional Assurance Work		Additional work required to complement assurances available through the new provider (HCC).

**Legal Services:**

<b>Risk:</b>		<b>Reduction in trading income and/or increase in legal costs</b>
<b>Audit:</b>		<b>Proposed Scope:</b>
16. New Delivery Model		Assurances provided regarding the service delivery, performance, cost management etc will require a review of the assurances available through the regulatory reviews applied to the new delivery model.

**Other Corporate Services:**

<b>Cyclical Reviews:</b>	
17. Governance	Review the processes for ensuring that the Council's governance arrangements are robust and are reviewed and reported on at the appropriate level and frequency.
18. Complaints & Customer Engagement	Review the process for receipt, recording and reporting complaints. Link to complaints information managed outside of the corporate system including ASC, CHS and CWH.
19. Members & MPs Enquiries/ FOI and SARs	Legislative compliance, receipt & recording, allocation to officer(s); timely delivery of responses, review and issue of responses.



**Audit & Performance Committee – 1 February 2017**  
**Draft Internal Audit Plan 2018/19**

<b>Cyclical Reviews –Corporate Services General:</b>	
20. Procurement: <ul style="list-style-type: none"> <li>• See departmental audit plans.</li> </ul>	Sample of procurements will be reviewed to ensure that processes follow procurement rules and do not lead to delays in procurement and/or additional incurred costs or legal challenge. See also individual departmental audit plans for proposed areas of procurement related audit work.
21. Contract Management: <ul style="list-style-type: none"> <li>• See departmental audit plans;</li> <li>• Telecommunications Contract (IT).</li> </ul>	Telecoms: Cfwd from 2017/18 – review of contract management of services provided.
22. Programme/ Project Management	See Managed Services Section. Any other programme or project involvement will be identified as required.
23. New Systems: <ul style="list-style-type: none"> <li>• HR: Learning &amp; Development Tools;</li> <li>• HR: Staff Performance Management.</li> </ul>	First review of new systems – to consider the effectiveness and controls within the new systems being procured for implementation in 2018/19.

**Audit & Performance Committee – 1 February 2017**  
**Draft Internal Audit Plan 2018/19**

**City Treasurer:**

A number of the audits relating to the change in Managed Services provider (HR, Payroll and Finance Services) during 2018/19 are shown in the Corporate Services section of the Plan. However, those Managed Services audits which relate to the activities led by the City Treasurer are included in the Plan below:

<b>Risk:</b>		<b>Replacement Managed Services (MS) (specific risks not yet identified in risk register)</b>
<b>Audit:</b>		<b>Proposed Scope:</b>
1. Income Management		Review of how system integrates with the Council's new financial management system.
2. New Financial Management System		Transfer of balances - Agresso to SAP. Support to City Treasurer on assurance and the external auditors but not a duplication of work undertaken in other areas
3. Accounts Payable/ Accounts Receivable/ General Ledger		Audit work on assurances to be discussed with the new provider – possibly continuous audit.

<b>Risk:</b>		<b>Reshaping and improving Council services requires strong financial management skills across the organisation</b>
<b>Audit:</b>		<b>Proposed Scope:</b>
4. Budgetary Control		Review of effectiveness of budgetary control within the services following implementation of the new financial management system.
5. Business Rates Pooling		TBC - London Councils Share to be discussed with City Treasurer

<b>Cyclical Reviews:</b>		
6. Revenues & Benefits: <ul style="list-style-type: none"> <li>• Council Tax;</li> <li>• Housing Benefit;</li> <li>• Business Rates.</li> </ul>		Programme to be agreed with City Treasurer to supplement not duplicate work undertaken by external audit.

**Audit & Performance Committee – 1 February 2017**  
**Draft Internal Audit Plan 2018/19**

### **Policy, Performance & Communications:**

The audits identified are in areas which are led by Policy, Performance and Communications, however, they are also relevant to the whole Council and may require input from other Departments.

<b>Cyclical Reviews:</b>	
1. Strategic Objectives	Review the processes for ensuring that the Council's Strategic Objectives are reviewed and reported on at the appropriate level and frequency.
2. Risk Management	Review processes for ensuring that the Council's key risks are identified, mitigated and reported at the appropriate level and frequency.
3. Corporate Performance Monitoring	To include the information reported on performance, including complaints.

### **Growth, Planning & Housing:**

Some audits identified in the part of the Audit Plan cut across work that is undertaken in other service areas. Where this is known, this is indicated below and cross-referenced to the other service area (e.g. City Management & Communities).

<b>Risk:</b>	<b>Failure to ensure compliance with statutory requirements and provide a safe environment for staff and residents.</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
1. Organisational Health & Safety (see also CMC plan)	Ongoing review of policies, procedures, compliance following on from initial work in 2017/18.	
2. Management of Compliance Data such as gas safety checks, electrical safety checks etc	Identification of properties requiring safety checks - All required data is available, accurate and complete to enable the Council to demonstrate compliance with regulatory requirements and to identify where improvements can be made.	
3. Building Control	Service planning & delivery - resourcing (delayed from previous year).	
4. FM Contract	Contract exit, re-procurement & intermediary steps, data quality, KPIs - some review as it happens.	

<b>Risk:</b>	<b>Failure to deliver projects due to lack of capacity and capability in Property &amp; Projects.</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
5. Capital Programme (see also CMC plan)	Follow on from review of new processes at end of Q4 2017/18 - review effectiveness of the new processes. Possible schemes to review include City Hall Refurbishment.	
6. Transformation of Service Delivery	Oversight and support - to be discussed.	
7. Place Shaping: Delivery of Programmes against six areas of focus	Scope to be further discussed with service lead - programme assurance	

**Audit & Performance Committee – 1 February 2017**  
**Draft Internal Audit Plan 2018/19**

<b>Risk:</b>	<b>Funding the impact of the Homeless Prevention Bill</b>	
<b>Risk:</b>	<b>Adverse publicity and of challenge to the new suite of homelessness policies which were introduced in January 2017</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
8. Implementation of the Homelessness Reduction Act	Housing options (re-tendered service with effect from Oct 2017). New prevention model, single front door. Temporary accommodation and discharge of homelessness duty.	

<b>Risk:</b>	<b>Uncertainty around effects of Brexit decision leading to the delaying or withdrawing of investment decisions, a slowing of income growth and falling capital values.</b>	
<b>Risk:</b>	<b>Failure to deliver the asset rationalisation programme.</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
9. Income: Property, Investments & Estates	Major income generating projects. How effective they are at achieving income targets and identifying areas of strength and weakness to inform decision making. (note implementation of the Investment Strategy for Commercial Properties cfwd from 2017/18).	

<b>Risk:</b>	<b>Change in legal requirements relating to energy performance of Council (non-residential) buildings. From 2019 it is not possible to rent out properties rated worse than E.</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
10. Energy Performance of Building Directive: Progress including Enforcement (see also Enforcement under CMC)	Review of processes to ensure that the Council is effectively managing non-residential buildings to be compliant with the Directive to maximise rental income.	

<b>Risk:</b>	<b>Supply of private sector housing affordable to households on benefits does not meet demand from the Council's statutory requirements.</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
11. Temporary Accommodation	Focus on proactive - anti- fraud measures (led by proactive fraud approach with audit controls included) - good practice etc including compliance with regulatory side as well checks on residency..	

<b>Risk:</b>	<b>Government preventing local authorities from making charges</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
12. Income: General Sources of Income (not investment income – see separate audit)	All sources of income are identified with appropriate management oversight and reporting. Appropriate and approved charging policies etc	

**Audit & Performance Committee – 1 February 2017**  
**Draft Internal Audit Plan 2018/19**

<b>Cyclical Reviews:</b>	
13. Management of TMOs	How the council ensures that appropriate support and oversight is provided to the TMOs by CWH.
14. Housing Repairs	Review of arrangements for managing housing property repairs.
15. Adult Education Service: Assurance Review	To be discussed with the Service Lead.

**Audit & Performance Committee – 1 February 2017**  
**Draft Internal Audit Plan 2018/19**

### City Management & Communities:

Some audits identified in the part of the Audit Plan cut across work that is undertaken in other service areas. Where this is known, this is indicated below and cross-referenced to the other service area (e.g. Growth, Planning & Housing).

<b>Risk:</b>	<b>Failure to ensure compliance with statutory requirements and provide a safe environment for staff and residents.</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
1. Organisational Health & Safety (see also GPH plan)	Ongoing review of policies, procedures, compliance following on from initial work in 2017/18.	

<b>Risk:</b>	<b>Failure to deliver projects due to lack of capacity and capability in Property &amp; Projects.</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
2. Capital Programme (see also GPH plan)	Follow on from review of new processes at end of Q4 2017/18 - review effectiveness of the new processes. Possible schemes to review include City Hall Refurbishment.	
3. Digital Transformation Programme	See Corporate Services Plan. Benefits & management (council wide not just CMC)	

<b>Risk:</b>	<b>Limited crime data being available which has impacted on the ability to develop analytical products, intelligence led initiatives and necessary statutory products.</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
4. Community Safety	Review of systems and processes in place to support the Council's Community Safety responsibilities.	

<b>Risk:</b>	<b>Reduction in Funding: MOPAC funding allocation for the next 4 years represents a 56% reduction on previous funding. Includes 30% top slice that has been put into central MOPAC funding pot which will be subject to funding bids to support commissioning work. Tranche 1 of the additional funding will be made available from 2018/19.</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
5. Management of Funding (e.g. MOPAC)	To liaise with the service on audit review. Possible advisory review of the funding management including funding bids.	

<b>Risk:</b>	<b>Failure to achieve registrars increased income targets;</b>	
<b>Risk:</b>	<b>Manage change in demand for nationality services</b>	
<b>Audit:</b>	<b>Proposed Scope:</b>	
6. Registrar Service - Income	Significant investment in the service (refurb of Council House). Effectiveness of improved service offering to increase income (note differential services discussions).	

**Audit & Performance Committee – 1 February 2017**  
**Draft Internal Audit Plan 2018/19**

<b>Risk:</b>	<b>Failure to follow procurement process leading to delays in procurement and additional incurred costs or legal challenge.</b>	
<b>Audit:</b>		<b>Proposed Scope:</b>
7. Procurement & Contract Management: <ul style="list-style-type: none"> <li>Car Clubs (procuring now for implementation in Feb 2018);</li> <li>Thematic reviews and informed from other audit work.</li> </ul>		Car Clubs: Review of procurement compliance & effective contract management arrangements.  Review of significant procurement (TBC) & compliance with Procurement Code & procurement management.

<b>Risk:</b>	<b>Failure to implement the effective neighbourhood working programme.</b>	
<b>Audit:</b>		<b>Proposed Scope:</b>
8. Effective Neighbourhood Working		Similar to review of Libraries operating model (2017/18 plan) Governance, operating model, compliance with legislation (e.g. noise nuisance).

<b>Risk:</b>	<b>Change in legal requirements relating to energy performance of Council (non-residential) buildings. From 2019 it is not possible to rent out properties rated worse than E.</b>	
<b>Audit:</b>		<b>Proposed Scope:</b>
9. Enforcement: Energy Performance of Building Directive, Progress		To review the processes in place for ensuring that appropriate arrangements are in place for enforcing the Directive in respect of non-Council owned property. (See also GPH plan re Council properties).

<b>Risk:</b>	<b>Council Objective - Greener City – is not achieved</b>	
<b>Audit:</b>		<b>Proposed Scope:</b>
10. Electric Vehicles – Charging Policy		Review to inform the proposed charging strategy for electric vehicles.

<b>Risk:</b>	<b>Inability of the organisation to continue to identify savings over the coming years to meet the expected reduction in net budget requirement.</b>	
<b>Audit:</b>		<b>Proposed Scope:</b>
11. Fees & Charges: <ul style="list-style-type: none"> <li>Parks;</li> <li>Cemeteries &amp; Crematorium.</li> </ul>		Is the service provided & charges made at the right levels & providing VFM.? Some benchmarking required. Consider the differential services program to identify alternative revenue streams & moving towards a more commercial approach.

<b>Contingency:</b>		
12. Highways–Code of Practice		Change method of reporting asset valuations was deferred. Scope to be discussed with the service.