



# Internal Audit Plan 2018/19

Ealing

Draft Internal Audit Plan for 2018/19.

To Audit Committee – 7 March 2018



Internal Audit and  
Counter Fraud  
Shared Services



## Introduction

The role of internal auditors is to provide independent, objective assurance designed to add value and improve the council's performance. The remit of internal audit remit and approach, as set out in the internal audit charter, is to help management and the audit committee to accomplish collection and individual objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The Councils' approach complies with best professional practice, in particularly the Public Sector Internal Audit Standards.

Internal audit's objectives are to:

- Remain independent and objective in the delivery of internal audit
- Provide assurance to management and the Audit Committee
- Formulate an effective annual operational plan, based upon regular review and risk assessments
- Respond to new and emerging risks through on going liaison with management and provision of adequate contingency
- Use benchmarking and comparison to identify wider changes to the sector
- Work closely with management and other assurance providers to optimise assurance, develop effective conclusions and recommendations
- Work with the anti-fraud service to optimise investigation coverage, promote good controls and fraud preventions and aid management.

This document sets out the planning process along with a one year operational plan for the coming year (2018/19). A strategic plan is also set out including coverage from 2017/18 projects planned for 2018/19 and also potential areas and areas to consider for 2019/20. 2019/20 will be used to inform next years planning discussions.

## Planning Process

The strategy for planning is set out in line with the internal audit charter and considers the public sector internal audit standards. It sets out our delivery of the internal audit service and is based upon the following:

- 1) Developing a framework for the service, which ensures independence and objectivity for internal audit staff.
- 2) Providing assurance through a systematic approach covering key areas including:
  - Controls Assurance Monitoring on key financial systems.
  - Risk based audits to confirm actions are in place to help mitigate risks
  - Prevention of fraud, linking to the anti-fraud service to help protect services for those with a genuine need
  - Special projects linking with services to help provide them with assurance following a period of change.
  - Contract audit to provide assurance on the increasing number of key projects, as well as monitoring of contracts in operation.
  - Schools audit ensuring all schools are audited over a period of time
  - Information Communication Technology (ICT) audit to provide assurance on the on ICT estate operated by the Council.
  - Appropriate use of computer aided audit techniques including data matching and analytics to provide whole population testing.
- 3) Promoting good practice in:
  - Risk management
  - Control and fraud prevention
  - System designed
  - Governance
- 4) Adding value by:
  - Working with management to develop the most effective recommendations
  - Providing challenge where appropriate
  - Benchmarking with PWC network, London Audit Group and other sources.
- 5) Optimising assurance by:
  - Working closely with other assurance providers, such as external audit to optimise coverage. Utilising the three lines of defence model to draw assurance from available sources.

A list of project areas which require internal audit review or independent sign off is also included. For example grants received, which require sign off by the provider.

The strategic plan internal audit plan remains responsive to key risks, but acts as a planning aid. Setting out a list of areas to help with future year discussions. It is intended that the strategic plan will build over the next few years, but also that it will continue to be agile to reflect a changing risk environment.

## 2018/19 – Operational Internal Audit Plan

The operational one plan will remain reasonably fluid to allow areas of emerging risk to be adopted during the year where necessary. Updates will be reported to management and the Audit Committee during the year.

	Topic	Description/Indicative Scope	Assurance Map Risk rating	Period (forecast)
<b>Chief Executives</b>				
1	Future Ealing	To review project management processes run by the new Programme Management Office.	High	Q4
<b>Environment and Customer Services</b>				
2	Environment – Commercial Income	To review sources of income To include commercial waste, green waste and other income sources.	Medium	Q1
3	Environmental Contract Renewals – Advisory	To provide audit advice and support where necessary as part of the renewal of Parking and Waste Management contracts.	Medium	As required.
4	Libraries	A review of key processing following the insourcing of the service	Medium	Q3
5	Emergency Response and Business Continuity	To review Emergency Response and Business Continuity arrangements for the Council, including the links to information technology.	Medium	Q2
6	Benefits	A review of key systems and procedures.	High	Q2

	Topic	Description/Indicative Scope	Assurance Map Risk rating	Period (forecast)
<b>Corporate Resources</b>				
7	Controls Assurance Monitoring of key financial systems.	Testing of key financial systems: <ul style="list-style-type: none"> <li>- Payroll</li> <li>- Accounts Payable</li> <li>- Accounts Receivable</li> <li>- Council Tax</li> <li>- National Non-Domestic Rates (NDR)</li> <li>- General Ledger</li> </ul>	High	Q3
8	Financial Control	A review of departments financial activity to confirm compliance with core financial system and financial regulations.	High	Q1
9	Corporate Credit Cards	A review of the processes operated to monitor use of corporate credit cards. To include data analysis on spend.	Medium	Q1
10	Cashiers/Cash Payments	A review of 'cash payments' or alternative arrangements introduced following the closure of the cashiers office.	Medium	Q1/2
10	New starters induction programme	To review the council's new starter induction programme to ascertain compliance.	Medium	Q2
<b>Housing &amp; Regeneration</b>				
11	Project Management	A review of project management processes including governance and procedures. This will include a review of key projects/stages to be agreed. E.g. Perceval House, Town Hall.	High	Q3

	Topic	Description/Indicative Scope	Assurance Map Risk rating	Period (forecast)
12	Housing – Fire risks assessments	<p>A follow-up of reports from previous Health and Safety Audits.</p> <p>A review to confirm that processes are in place and robust to ensure that all Fire Risk Assessments happen on a timely basis and any actions required are implemented. Processes for residents reporting issues and how these are managed/escalated.</p>	Medium	Q2
13	Leaseholders	To review policies and procedures, accuracy and validity of service charge billing, monitoring of annual service charges and income collection.	Medium	Q2
14	Temporary Accommodation	To review arrangements with landlords, setting up and payment including landlord incentives scheme.	Medium	Q1
15	Planning	The service is undertaking a review of the processes around planning applications. This review is to consider compliance with processes.	Medium	Q2
<b>Information Communication Technology (ICT)</b>				
16	Data Protection	<p>A post implementation review of the General Data Protection Regulation (GDPR) requirements. To include consideration of broader activities of the team:</p> <ul style="list-style-type: none"> <li>• Freedom of Information</li> <li>• Subject Access Requests</li> </ul>	High	Q3

	Topic	Description/Indicative Scope	Assurance Map Risk rating	Period (forecast)
		<ul style="list-style-type: none"> <li>Breach response.</li> </ul>		
17	ICT Application or Project	Linking in to the ICT team's application reviews to consider software application controls for a number of systems.	High	Q2
Children and Adults				
18	Better Lives Programme	A post implementation review of the Better Lives Adult Social Care Programme to confirm successful implementation of changes in to business as usual processes.	High	Q3
19	Commissioning	General assurance of processes and procedures. .	High	Q2
20	Fostering	To review vetting process, with particular focus on renewals.	Medium	Q4

### Cyclical Verification Work

This is internal audit work to review e.g., grant claims or income that require independent sign off. Additional requests may be made during the year.

West London Alliance
Mortlake Cemetary

## Strategic plan

This includes coverage from 2017-18 the operational plan for 2018/19. Items included in 2019/20, where areas of coverage considered during the process, but that were deferred for timing or resourcing reasons. These have been recorded to facilitate discussion for possible inclusion in future years. In the future, this plan will incorporate a broader history of audits, but will still be subject to revisions to remain responsive to the Council's ever evolving risk arena.

This document also helps to reflect on the time elapsed between audits as this may impact on the risk assessment process.

Topic	2017/18	2018/19	2019/20
Workforce Planning	✓		
Human Resources			✓
Council Owned Companies	✓		
Temporary Workers/Contractors	✓		
Controls Assurance Monitoring of key financial system	✓	✓	✓
Data Protection	✓	✓	
Financial Control		✓	
Corporate Credit Cards		✓	
New starters induction programme		✓	
No Recourse to public funds	✓		
Safeguarding Adults – Deprivation of Liberty	✓		
Better Lives Programme		✓	
Commissioning		✓	
Build my future.			✓
Direct Payments	✓		
Home Care/Support	✓		
Pensions Administration			✓
Treasury and Pension Investment	✓		
Emergency Response/Business Continuity		✓	



Special Educational Needs and Disabilities (SEND)	✓		
Viridor Recycling Contract	✓		
Out of Hours service	✓		
Benefits		✓	
Licensing (Homes of Multiple Occupation)	✓		
Trading Standards	✓		
Cyclical Planned Maintenance	✓		
Health and Safety	✓ (Housing Electrical)	✓ (Fire Risk Assessment)	✓
IT – Cyber	✓		
IT Applications	✓	✓	✓
Homelessness Reduction Act			✓
Temporary Accommodation		✓	
Personal Budgets	✓		
Fostering		✓	
Future Ealing Programme		✓	
Environment Commercial Income		✓	
Section 20			✓
Libraries		✓	
Leaseholder		✓	
Right to buy			✓
Contract management			✓
Waste Contract			✓
Project Management		✓ (Regeneration)	✓
Planning		✓	
Section 106/ Community Infrastructure Levy			✓
Commercial Property Income			✓
Cyber			✓
IT Security			✓
ICT applications			✓
IT Cloud			✓
Grant Administration			✓



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