



Internal Audit Plan 2019/20

Ealing

Draft Internal Audit Plan for 2019/20.

To Audit Committee – 6 March 2019



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 and approach of internal audit, as set out in the internal audit charter, is to help management and the Audit Committee to evaluate and improve the effectiveness of risk management, control and governance processes.

Our role as internal auditors is to provide independent, objective assurance designed to add value and improve the council's performance. Our remit and approach, as set out in the internal audit charter, is to help you accomplish your 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 (2019/20). A strategic plan is also set out including coverage from 2017/18, 2018/19 and also potential areas and areas to consider for 2020/21. 2020/21 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 continue to build over the next few years, but also that it will continue to be agile to reflect a changing risk environment.

2019/20 – 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)
Corporate Wide				
1	Future Ealing	To review delivery of a sample of projects.	High	Q4
2	Health and Safety	A review of the over-arching governance arrangements. This will include a detailed follow-up review of fire risk and electrical safety assessment in the Housing arena.	High	Q3
3	West London Alliance	The West London Alliance is run by Ealing, but operates to support West London Council's in delivery of a number of projects.	Medium	Q2
4	Brexit – Advisory	Providing ongoing advice, challenge and support to management on oversight of Brexit issues as they emerge.	High	Ongoing
Finance				
	Key financial systems.	Testing of key financial systems, the programme is now run on a three year programme. In this year the reviews will focus on: -	High	Q3
5		- Payroll and transactional HR (this will also include the iTrent system).		
6		- General Ledger		

	Topic	Description/Indicative Scope	Assurance Map Risk rating	Period (forecast)
7		- Pensions Administration		
8	Cash Payments	Following the closure of cashiers in 2018/19, this review will look at how services are managing cash.	Medium	Q1/2
9	Credit Cards	A follow-up of the 2018/19 audit.	Medium	Q2
Place				
10	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. Delivery of 2000 affordable homes.	High	Q3
11	Highways	A review of highway services and contract management.	Medium	Q1
12	Environmental Contract Renewals – Waste	A review of plans for the transfer of assets and staff.	Medium	Q2
13	Housing Hubs	A review following the shift to neighbourhood offices which locally manage housing services. This will largely review the rents and repairs processes to confirm controls continue to operate following the change to hubs.	Medium	Q4
14	Licencing – Alcohol and Gambling	A review of the processes for issuing and annual renewals to ensure all income due is collected.	Medium	Q2

	Topic	Description/Indicative Scope	Assurance Map Risk rating	Period (forecast)
15	Housing Contract Managed	A review of contract management arrangements. This will look at the monitoring arrangements for two areas,	High	Q4
16	Temporary Accommodation – Rents	A review to look at the arrangements for charging rent to ensure rent invoicing for new lets is done promptly. To consider arrangements for arrears.	Medium	Q1
Information Communication Technology (ICT)				
17	ICT Applications	<ol style="list-style-type: none"> 1) Incomes systems (Civica and Ash) 2) Social care systems (Mosaic and Synergy) 	High	Q3
18	Digital Programme Management	A review of the digital programme to confirm that it is running well and delivering to timetable.	High	Q2
Children and Adults				
19	Better Lives Programme	A revisit of this key programme to confirm it continues to operate.	High	Q3
20	Section 75 Agreement	A review of the joint arrangements with the Clinical Commissioning Group. This will include contracts, following the recent issue of new contracts to all providers.	Medium	Q2
21	Ealing Service for Children with Additional Needs (ESCAN)	ESCAN is a joint initiative between Ealing PCT and the Council). This will look at the shared arrangements.	Medium	Q4

	Topic	Description/Indicative Scope	Assurance Map Risk rating	Period (forecast)
22	Brokerage Team	A review of the work of the Brokerage Team to confirm arrangements in place are working as expected.	Medium	Q2
23	Schools programme	A review of the project management and oversight of the schools expansion programmes.	High	Q1

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.

Mortlake Cemetery (April 2019)

MHCLG Disabled Facilities Grant (pre December 2019).
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Strategic plan

This includes coverage from 2017-2019 and the operational plan for 2019/20. Items included in 2020/21, 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	2020/21
Workforce Planning		✓		
Human Resources			✓ (Transactional)	
Council Owned Companies	✓			
Temporary Workers/Contractors	✓			
Controls Assurance Monitoring of key financial system	✓	✓	✓	
Payroll & Transactions HR	✓		✓	
General Ledger	✓		✓	
Accounts Payable	✓			✓
Accounts Receivable	✓			✓
Council Tax	✓	✓		
NNDR	✓	✓		
Cash		✓	✓	
Housing Benefits		✓		
Housing Rents		✓		
Financial System (Agresso)		✓		
Pensions Administration			✓	
Treasury and Pension Investment	✓			✓
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		✓		
Direct Payments	✓			
Home Care/Support	✓			
Emergency Response/Business Continuity		✓		
Special Educational Needs and Disabilities (SEND)	✓ (Transport)		✓ (ESCAN)	
Viridor Recycling Contract	✓			
Out of Hours service	✓			
Benefits		✓		
Licensing)	✓ (Homes of Multiple Occupation)		✓ (Alcohol and Gambling)	
Trading Standards	✓			
Cyclical Planned Maintenance	✓			
Health and Safety	✓ (Housing Electrical)	✓ (Fire Risk Assessment)	✓ Oversight and follow-up.	
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			✓ (Housing)	
Waste Contract			✓ (Advice)	
Project Management		✓ (Regeneration)	✓	
Planning		✓		
Section 106/ Community Infrastructure Levy				✓
Commercial Property Income				✓
IT Security				✓
ICT applications			✓	✓
IT Cloud				✓
Digital Programme Management			✓	
Grant Administration			✓	
West London Alliance			✓	
Brexit			✓	
Highways			✓	
Section 75 Agreement			✓	
Facilities Management			✓ (Security)	✓
Brokerage Team			✓	
Safeguarding				✓