

**HARROW COUNCIL  
DRAFT INTERNAL AUDIT & CORPORATE ANTI-FRAUD PLAN 2017/18**

**Draft Internal Audit Plan 2017-18**

<b>Review Area/Links Harrow Ambition Plan 2020</b>	<b>Risk Assessment<sup>1</sup></b>	<b>Proposed Audit Coverage</b>	<b>Audit Days</b>	<b>Q</b>	<b>Director/Divisional Director</b>	<b>Lead Manager</b>
<b>Reliance/Assurance Reviews (Resources Directorate)</b>						
Business Rates	H	Key Control Review, Walkthrough Test	15	Q1	Carol Cutler	Fern Silverio/Lynn Allaker
Capital Expenditure	H	Key Control Review, Walkthrough Test	20	Q1	Dawn Calvert	Paul Gower
Housing Benefit (Fraud risk covered 2016/17)	H	Evidence Based Control Self- Assessment	1.5	Q1	Carol Cutler	Fern Silverio/Jenny Townsley
Housing Rents	M	Evidence Based Control Self- Assessment	1.5	Q1	Dawn Calvert/ Nick Powell	Milan Joshi
Corporate Accounts Receivable	H	Evidence Based Control Self- Assessment	1.5	Q1	Carol Cutler	Jonathan Milbourn/ Kireen Rooney
Corporate Accounts Payable	H	Evidence Based Control Self- Assessment	1.5	Q1	Carol Cutler	Jonathan Milbourn/ Kireen Rooney
Payroll	H	Evidence Based Control Self- Assessment	1.5	Q1	Frances Mills	Mark King
Treasury	M	Evidence Based Control Self- Assessment	1.5	Q1	Dawn Calvert	Ian Talbot
Council Tax	H	Evidence Based Control Self- Assessment	1.5	Q1	Carol Cutler	Fern Silverio/Lynn Allaker
<b>IT Reviews Risk Based Reviews</b>						
Cyber Security Response	CR24 - M	The review will assess the robustness of controls in place within the cyber security framework and to assess the robustness of the Council's response to a successful cyber security attack.	10	Q1 PwC	Carol Cutler	Rahim StJohn
Schools Financial Management System + Education Management System	H	A review of access controls in place to protect the integrity of the systems	10	Q4	Alex Dewsnap	David Harrington

<sup>1</sup> Wherever possible risk ratings are taken from the Corporate (prefix CR), an audit risk assessment is undertaken for all other reviews.

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<b>Fraud Risk/Fraud Prevention</b>						
Agency Staff - ID's/Right to Work/References	M	A review of the robustness of checks undertaken by Pertemps to prevent fraud	15	Q3	Terry Brewer	Munira Kachwala
Business Rates on Empty properties + Small Business Rate Relief	H	A review of the robustness of controls in place to prevent fraud	15	Q3	Carol Cutler	Fern Silverio/Lynn Allaker
Access Harrow - Supporting Documents	H	A review of the robustness of checks to prevent fraud undertaken by Access Harrow on supporting documents for Housing benefits, Blue Badges etc.	15	Q3	Carol Cutler	Jonathan Milbourn/ Kireen Rooney
Waste - Landfill, recycling, weighbridge	H	A review of the procurement of waste related services to ensure robust controls in place to protect the Council from organised crime following report from the Home Office	15	Q3	Simon Baxter	Alan Whiting
School Funding	H	A review of the quality of data affecting school funding	10	Q4	Alex Dewsnap	David Harrington
<b>Corporate Compliance Checks</b>						
Spending Controls	CR2 - H	Sample check that any spending controls are being implemented consistently	20	Q2	Dawn Calvert	Dawn Calvert
Financial Regulations	H	Sample check that Financial Regulations are being adhered to	10	Q4	Dawn Calvert	Sharon Daniels
Corporate Policies	M	Review sample of policies to establish ownership and ensure that compliance is being monitored	5	Q4	Frances Mills	Mark King
<b>Corporate Risk Based/Governance Reviews</b>						
Corporate Governance	Requirement under the Accounts & Audit Regulations 2015	Co-ordination of the annual review of governance against the new Cipfa/Solace Delivering Good Governance in Local Government Framework 2016 plus drafting of the Annual Governance Statement	30	Q1-Q4	Chief Executive/Leader/ GARMS	Corporate Governance Group
Shared Service Governance <b>Be More Business-like and Business Friendly</b>	Requirement of Cipfa/Solace Delivering Good	Development and co-ordination of a self-assessment process to assess the adequacy of governance arrangements in place for shared services across the	5	Q1	Chief Executive/Leader/ GARMS	Corporate Governance Group

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	Governance in Local Government Framework 2016	Council				
Risk Management	Governance requirement	Update of the Corporate Risk Register/Risk Appetite Statement and Risk Management Policy/Procedures	65	Q1-Q4	CSB/GARMS	Corporate Directors
Information Governance Board (IGB)	M	To ensure that the Council has effective polices & management of information governance risks. Quarterly review of security breaches + HIA on Board.	5	Q1-Q4	SIRRO (Tom Whiting)	IGB
Cabinet Decisions	H	A review of the quality/robustness of information supplied in Cabinet reports to support key recommendations and ensure sound decisions c/f 16/17	10	Q2	Hugh Peart	Relevant managers
Review of Expenditure	CR2 - H	Analysis of a sample of budgets across the Council to ensure that resources are being used in accordance with agreed policy and Council priorities in order to achieve desired outcomes for service users	20	Q3	Dawn Calvert	Specific DDs depending on sample
Commercialisation <i><b>Be More Business-like and Business Friendly</b></i>	CR13 - M	A review to determine if the key aims and objectives of the Commercialisation Strategy are being met, that governance is adequate and lessons are learnt	25	Q2	Terry Brewer	Specific DDs depending on area
Culture	CR9 - H	To review organisational culture on a sample basis to provide assurance on how ethics and values are working in practice	20	Q4	Michael Lockwood	Corporate Directors
<b>Directorate Risk Based Reviews Resources</b>						
Financial Regulations	Governance	Feeding into the review and update of Financial Regulations	5	Q2	Dawn Calvert	Sharon Daniels
Contract Management	H	Per-temps Contract or sample of medium contracts (to be determined by risk assessment) c/f 16/17	10	Q2	Terry Brewer	Anand Pajpani
Council Tax - Severely Mentally Impaired (SMI) Exemption	H	To review the application , assessment and review process	5	Q4	Carol Cutler	Fern Silverio/Lynn

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						Allaker
FB60	H	Review of the use and compliance with agreed procedure	5	Q4	Terry Brewer	Specific DDs depending on area
New Supplier Set Up	H	To review the new system to set up suppliers to ensure robust controls in place	2	Q1	Terry Brewer	Terry Brewer
<b>Community Risk Based Reviews</b>						
Homelessness Data on Northgate <b>Corporate Priority: Build a Better Harrow</b>	CR1 – H	Information Security, data quality, information sharing c/f 16/17 as updated version of Northgate to be implemented – a proactive audit approach to feed into the implementation stage with a light touch check undertaken later in the year	10	Q2/Q4	Nick Powell	Jane Fernley / Mark Fosh
Facilities Management Contract	H	Contract Management Review c/f 16/17	10	Q4	Venetia Reid-Baptiste	May Patel
Major Works - Leaseholders	H	Review of charges to leaseholders for major works c/f 16/17 as updated version of Northgate implemented Feb 17	15	Q4	Nick Powell	Karen Connell/Andrew Campion
Homelessness – preventative work <b>Corporate Priority: Build a Better Harrow</b>	CR1 – H	Cost, effectiveness and vfm of preventative work c/f 16/17 (a check of current work/position with potential to be delayed until after the Homelessness Reduction Bill has been considered)	10	Q2	Nick Powell	Jon Dalton
150 Homes Project <b>Corporate Priority: Build a Better Harrow</b>	CR1 - H	Governance Arrangements	10	Q3	Nick Powell	Alison Pegg
<b>Regeneration</b>						
Regeneration Programme <b>Corporate Priority: Build a Better Harrow</b>	CR27 – M	Procurement Process/ Financial Management/ Land Deals to be determined via a risk process in consultation with management c/f 16/17	20	Q1/2	Michael Lockwood	Paul Nichols
Planning <b>Corporate Priority: Build a Better Harrow</b>	H	A review of the planning process to ensure sound, timely and transparent decisions are made	20	Q3	Michael Lockwood	Paul Nichols

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<b>People</b>						
Schools <i>Corporate Priority: Build a Better Harrow</i>	H	Thematic Reviews covering areas such as; Procurement; Landlord/Tenant Responsibilities; Fraud Risk; PayPolicy/Performance Management; Budget Management; Governance & Financial Control	100	Q2-Q4	Patrick O'Dwyer	Headteachers
SFVS Assurance Statement	n/a	Review of the statutory return to the Department Education to be signed by the s151 Officer confirming the number of Schools to complete the Schools Financial Value Standard (SFVS) self-assessment.	5	Q1	Dawn Calvert	Headteachers
Families First (Troubled Families Grant) <i>Corporate Priority: Protect the Most Vulnerable and Support Families</i>	CR13 & 17 – M	Testing and Grant certification required	5	Q1-Q4	Paul Hewitt	Charisse Monero
Adult Residential Care <i>Corporate Priority: Protect the Most Vulnerable and Support Families</i>	CR11 - H	A review of commissioning of adult residential care c/f 2016/17	20	Q3	Bernie Flaherty	Chris Greenway
Personal Budgets <i>Corporate Priority: Protect the Most Vulnerable and Support Families</i>	CR3 - H	A review covering financial assessments, monitoring/recovery of funds, and review of care packages	20	Q3	Bernie Flaherty	Visva Sathasivam
Multi-Agency Safeguarding Hub (MASH) <i>Corporate Priority: Protect the Most Vulnerable and Support Families</i>	CR4 - H	Follow-up of external review undertaken in 2015/16 deferred from 16/17 plan due to Ofsted	20	Q2	Paul Hewitt	Parmjit Chahal
<b>Support, Advice &amp; Follow-up</b>						
Suspected Financial Irregularities + Control Reviews	H	Support & guidance to managers on investigations	30	Q1-Q4		
Professional Advice	n/a	Advice on risk mitigation & control	20	Q1-Q4		
Follow-up	n/a	Follow-up of Red, Red/Amber & Amber reports	45	Q1-Q4		
External Audit Liaison	n/a	Liaison with the new External Auditors	8	Q1-Q4		
<b>TOTAL DAYS IN 2017/18 PLAN</b>			<b>750.5</b>			

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No.	Internal Audit Performance Indicators 2017/18	Target
1	Recommendations agreed for implementation	95%
2	Follow up undertaken	100%
3	Plan achieved for key control reviews	100%
4	Plan achieved overall (key indicator)	90%
No.	Corporate Performance Indicator 2017/18	Target
1	Implementation of recommendations	90%

**Draft Corporate Anti-Fraud Plan 2017/18**

	Fraud work stream	Reasoning for inclusion/risks	Proposed counter fraud activity	QTR
	<b>Objective: Acknowledge fraud and corruption risks, reaffirm the responsibility of the leadership team in managing these risks and assess the risk of fraud and corruption across all parts of the organisation.</b>			
1	Corporate fraud risk assessment	Following self assessment against CIPFA Code of Managing the Risk of Fraud & Corruption framework	Identify and assess Harrow's fraud risk exposure affecting the principle activities in order to fully understand changing patterns in fraud and corruption threats and the potential harmful consequences to the authority and our customers.	Q1
2	Corporate fraud risk register	Following self assessment against CIPFA Code of Managing the Risk of Fraud & Corruption framework	Develop a fraud risk register where significant fraud and corruption risks will be owned and maintained by the directorates	Q2
3	Corporate Anti-Fraud & Corruption Strategy	Following self assessment against CIPFA Code of Managing the Risk of Fraud & Corruption	Review the Corporate Anti Fraud & Corruption Strategy 2016-19 that links to	Q4

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		framework	Harrow's corporate priorities, the overall goal of improving resilience to fraud and corruption and fully reflecting the fraud and corruption risks faced by the authority	
<b>Objective: Prevent, detect and deter fraud and corruption impacting the organisation by raising awareness of fraud and corruption</b>				
4	National Fraud Initiative co-ordination role	Cabinet Office mandatory function	Co-ordination of the 2016/17 National Fraud Initiative (NFI) match processing including:- <ul style="list-style-type: none"> <li>• Providing supporting and guidance to service areas processing matches</li> <li>• Providing guidance on whether a match is fraud or error.</li> <li>• Picking up any matches referred as fraud and investigating them to satisfactory outcome including corrective action</li> </ul>	Q1-4
5	Corporate anti-fraud awareness	Following self assessment against CIPFA Code of Managing the Risk of Fraud & Corruption framework	Raise awareness of fraud and corruption risks both within the authority and in the community through the publication of fraud successes in local and national media, including the use of all forms of social media including the following actions:- <ul style="list-style-type: none"> <li>• Rolling out fraud E-learning to new employees</li> <li>• Elected Member fraud awareness training</li> </ul>	Q1 Q1

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			<ul style="list-style-type: none"> <li>• Raising fraud awareness in schools in conjunction with Internal Audit's annual programme of planned works</li> <li>• Chief Executive Newsletter articles on fraud and corruption</li> <li>• CAFT Hub/web pages refresh</li> <li>• Issuing management reports detailing investigation outcomes and recommendations for improving fraud risk controls are implemented if agreed according to risk</li> <li>• Fraud workshops/CAFT attendance at team meetings for high fraud risk areas</li> <li>• Publicity through all forms of media on successful fraud cases, fraud initiatives and related prosecution outcomes</li> </ul>	<p>Q1-4</p> <p>Q1-4</p> <p>Q3</p> <p>Q1-4</p> <p>Q1-4</p> <p>Q1-4</p>
6	Fraud liaison	Best practice	Develop and maintain effective liaison with investigation teams in other boroughs and external agencies and ensure that membership and interest continues in the London Borough of Fraud Investigators Group (LBFIG), The National Anti-Fraud Network (NAFN), the European Institute for Combatting Corruption & Fraud (TEICCAF), The Chartered Institute of Public Finance and Accountancy (CIPFA) and the London Fraud Hub	Q1-4

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7	Internal datamatching	Best practice	Explore the use of the iDIS data matching tool linked to the CAFT fraud case management system which has capability for matching large extracts of data against each other for the purposes of preventing and detecting fraud, corruption and error.	Q2
<b>Objective: Ensure the investigation of allegations of fraud and corruption are effective, criminal conduct is punished with appropriate sanctions, established losses are pursued robustly and fraud loss avoidance is measured effectively where possible</b>				
8	Housing fraud	Following fraud risks assessment & Protecting the English Public Purse (PPP) 2016	<p>Assess and investigate allegations of fraud and abuse in the housing system working in partnership with Housing Resident Services, Housing Needs and Harrow's RSL's including:</p> <ul style="list-style-type: none"> <li>• Seek to recover 15 social housing units subject to fraud &amp; misuse (KPI1)</li> <li>• Prevent housing application fraud through targeted application validation with a fraud check on 90% applications referred to the CAFT and set live on the waiting list (KPI2)</li> <li>• Prevent fraudulent Right to Buy (RTB) applications through targeted application validation with a fraud check on 90% applications referred to the CAFT at offer stage (KPI3)</li> <li>• Prevent mutual exchange, succession and assignment fraud</li> </ul>	<p>Q1-4</p> <p>Q1-4</p> <p>Q1-4</p> <p>Q1-4</p>

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			<p>through targeted application validation and working with the service area</p> <ul style="list-style-type: none"> <li>• Prevent abuse of the housing incentivisation scheme through targeted application validation and working with the service area</li> <li>• Maintain and develop membership of the London housing fraud hub and explore other datamatching opportunities</li> <li>• Work with Housing and Communications to run a housing fraud centric publicity campaign to raise awareness internally and the community including a key amnesty</li> <li>• Maximise the use of powers contained within the Prevention of Social Housing Fraud Act 2013 (PoSHFA) in terms of gathering evidence, investigation and prosecution of offenders and recovery of unlawful profit</li> </ul>	<p>Q1-4</p> <p>Q1-4</p> <p>Q2/3</p> <p>Q1-4</p>
9	Internal fraud & corruption	Following fraud risks assessment & Protecting the English Public Purse (PPP) 2016	Risk assess 80% allegations of internal fraud and corruption as a priority and deploy resources on those cases where there is corroborative evidence within an average of 5 workings days of receipt of the information (KPI4).	Q1-4

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10	No Recourse to Public Funds (NFPF) fraud	Following fraud risks assessment & Protecting the English Public Purse (PPP) 2016	Continue to work in partnership with the People Directorate to explore the area of <i>No Recourse to Public Funds</i> (NRPf) recently highlighted in Protecting the English Public Purse 2015 and 2016, in undertaking targeted application validation and make recommendations to better manage fraud risks	Q1-4
11	Revenues/Business Rates/Council Tax Support fraud	Following fraud risks assessment & Protecting the English Public Purse (PPP) 2016	Work in partnership with Revenues and Benefits to Investigate allegations of fraud and abuse of the Council Tax, Council Tax Support and Non Domestic Rates Systems, including exemptions, discounts and reliefs, apply appropriate sanctions where fraud is proven and assist in the recovery of fraud related losses	Q1-4
12	Social care fraud	Following fraud risks assessment & Protecting the English Public Purse (PPP) 2016	Work in partnership with the People Directorate and Internal Audit to explore social care fraud and abuse by ensuring that:- <ul style="list-style-type: none"> <li>• personal budget funding is spent according to care plans</li> <li>• monitoring of the budget is undertaken effectively</li> <li>• suspicions of fraud are referred to the CAFT when appropriate</li> <li>• make recommendations to better manage fraud risks</li> </ul>	Q1-4
13	Partnership working	Best practice	Responding to requests for information in a timely manner from our law enforcement partners e.g Police, HMRC, Other LA's etc	Q1-4

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14	Risk assess allegations of fraud and corruption	Best practice	Risk assess 80% of allegations of fraud and corruption and deploy resources on those cases deemed sufficiently high enough fraud risk within an average of 10 working days of receipt of the information. (KPI5)	Q1-4
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No.	CAFT Key Performance Indicators 2017/18	Target
1.	Recovery of 15 social housing units subject to fraud and misuse	100%
2.	% of fraud validation checks undertaken on cases referred to the CAFT set live on the housing waiting list before offer made	90%
3.	% of fraud validation checks undertaken on Right to Buy applications referred to the CAFT at offer stage and before completion	90%
4.	% of internal fraud and corruption referrals risk assessed and resources deployed in 5 working days	80%
5.	% of fraud and corruption referrals risk assessed and resources deployed in 10 working days	80%

**Justin Phillips**  
Service Manager, Corporate Anti-Fraud

**Susan Dixon**  
Head of Internal Audit

**March 2017**