

**REPORT FOR: GOVERNANCE, AUDIT,
RISK MANAGEMENT
AND STANDARDS
COMMITTEE**

Date of Meeting: 30 January 2018

Subject: **INFORMATION REPORT –
Revised Internal Audit Plan
2017/18**

Responsible Officer: Tom Whiting – Corporate Director
Resources and Commercial

Exempt: No

Enclosures: Appendix 1 – Revised Internal audit
Plan 2017/18

Section 1 – Summary

This report sets out the revised Internal Audit Plan 2017/18

FOR INFORMATION

Section 2 – Report

Introduction

- 2.1. At the last GARMS Committee meeting it was reported that the Internal Audit Plan 2017/18, agreed by GARMS Committee on 05/04/17, would need to be revised to enable emerging higher risks to be reviewed and to accommodate the earlier timeframe for the production of the Annual Governance Statement.

Revised Internal Audit 2017/18

- 2.2 The nature of risk based planning, as opposed to the more traditional cyclical planning, requires a more flexible approach to be taken to enable the Internal Audit service to address risks facing the Council as they change. Over the last few years this has resulted in changes being made to the plan at mid-year to recognise emerging risks. Five emerging risks reviews have been identified and started in Q2/Q3 of 2017/18, three of which were highlighted at the last meeting, that will require some changes to the current plan.
- 2.3 The Accounts and Audit Regulations 2015, require Local Authorities to prepare a Statement of Accounts in accordance with proper practices. The regulations also require an authority to conduct a review at least once in a year of the effectiveness of its system of internal control and include a statement reporting on the review (the AGS) with any published Statement of Accounts. In previous years the draft Statement of Accounts was required to be prepared by 30 June with the final required by 30 September however from 2017/18 the deadline will be 31st May 2018 for the draft and 31st July 2018 for the final. The consequence of this is that the annual review of governance will need to be started in Q4 2017/18 rather than undertaken in Q1 of 2018/19 requiring some changes to the current plan.
- 2.4 It is estimated that up to 121 audit days will be required for the review of emerging risks in the 2017/18 plan (this is a slight increase on the 89 reported at the last meeting) and to bring the annual review of governance forward into Q4. To compensate for this reviews equating to 120 audit days have been identified as potential carry-forwards to 2018/19 (90 reported to the last meeting). The increase in days added and taken out of the plan reflects two additional emerging risks – Special Needs Transport and Regeneration/Capital Governance structure. Wherever possible the reviews to be delayed are those that due to service developments it is more appropriate to delay the review or where, with the agreement of management, the risk is not considered as high as any emerging risks. The Revised Internal Audit Plan 2017/18 is attached – Appendix 1 and the tables in paragraphs 2.5 and 2.6 below highlight the changes made.

2.5 The table 1 below shows work on the 2017/18 that will be considered for carry forward to 2018/19 to allow time for dealing with emerging risks (see table 2 below) and an earlier review of Corporate Governance to meet new reporting deadlines.

Table 1

Review	Audit Risk Rating	Quarter	Days in Plan	Comments
Cyber Security Response	M	Q1	10	PwC – earlier system review to be finalised before commencement possible c/f to 2018/19 as medium risk
Spending Controls	H	Q2	20	To be considered for c/f to 2018/19 - to be implemented by Finance before review can commence
Access Harrow - Supporting Documents	H	Q3	15	To be considered for c/f to 2018/19
Homelessness – preventative work	H	Q3	10	To be considered for c/f to 2018/19 after the Homelessness Reduction Bill has been considered
Homelessness Data on Northgate	H	Q3/4	10	To be considered for c/f to 2018/19
Schools Financial Management System + Education Management System	H	Q4	10	To be considered for c/f to 2018/19
School Funding	H	Q4	10	To be considered for c/f to 2018/19
Financial Regulations	H	Q4	10	To be considered for c/f to 2018/19 as new regs not yet drafted
Corporate Policies	M	Q4	5	To be considered for c/f to 2018/19 as medium risk
Culture	H	Q4	20	To be considered for c/f to 2018/19
TOTAL			120	

2.6 Table 2 below shows emerging risks to be reviewed as part of the 2017/18 plan and the impact of the changes to the AGS deadline.

Table 2

Review	Audit Risk Rating	Quarter	Days added to Plan	Reason Added/Progress
Parking Ticket Overpayments	H	Q2/3/4	20	Investigation of concerns raised by staff – Q4 draft report
Harrow Arts Centre	H	Q3/4	18	Review agreed following SFI 2016/17 – Q4 draft report
Welldon Park Primary School Teaching Assistants Report	H	Q2	13	To investigate the payments to Teaching Assistants for providing cover for teachers and the methods of payments both historic and pending.– Q4 Awaiting response to draft report
Special Needs Transport	H	Q4	20	Review of savings realisation and service engagement – Q4 Planning
Regeneration/Capital Governance Structure	H	Q3/Q4	20	To advise on a new governance structure – Q4 Proposed structure agreed by CSB, ToR for Board being drafted
Corporate Governance	Requirement	Q4	+30	Additional days required in plan due to changing reporting deadlines requiring annual review of governance to be undertaken in Q4 2017/18 instead of Q1 2018/19
Total			121	

2.7 The net impact of the changes will be to increase the 2017/18 plan by 1 audit day.

Section 3 – Further Information

3.1 The next report on Internal Audit and the Corporate anti-Fraud Team will be the 2018/19 draft plan to be submitted to GARMS Committee in April 2018.

Section 4 – Financial Implications

4.1 There are no financial implications to this report.

Section 5 - Equalities implications

5.1 There are no equalities implications.

Section 6 – Corporate Priorities

6.1 Internal Audit contributes to all the corporate priorities by enhancing the robustness of the control environment and governance mechanisms that directly or indirectly support these priorities.

Name: Dawn Calvert



Chief Financial Officer

Date: 17/01/18

Section 7 - Contact Details and Background Papers

Contact: Susan Dixson, Head of Internal Audit & Corporate Anti-Fraud, Tel:
0208 424 1420

Background Papers: None