**Internal Audit Plan 2018-19**

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| **Review Area/*Links Harrow Ambition Plan 2020*** | **Risk Assessment[[1]](#footnote-1)**  | **Proposed Audit Coverage** | **Audit Days** | **Q** | **Director/Divisional Director** | **Lead Manager** |
| **Reliance/Assurance Reviews (Resources Directorate)** |
| Corporate Accounts Receivable  | H | Key Control Review, Walkthrough Test  | 15 | Q1 | Carol Cutler | Jonathon Milburn/ Kireen Rooney |
| Corporate Accounts Payable  | H | Key Control Review, Walkthrough Test  | 15 | Q1 | Carol Cutler | Jonathon Milburn/ Kireen Rooney |
| Housing Rents *(Key control review due but medium risk)*  | M | Evidence Based Control Self- Assessment | 3 | Q1 | Dawn Calvert/ Nick Powell | Milan Joshi |
| Business Rates | H | Evidence Based Control Self- Assessment  | 1.5 | Q1 | Carol Cutler | Fern Silverio/Lynn Allaker |
| Capital Expenditure  | H | Evidence Based Control Self- Assessment  | 1.5 | 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 |
| 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 |
| **IT Reviews Risk Based Reviews** |
| IT System security (to cover Schools Financial management System + Education management System | H | Review of access controls across a number of devolved systems e.g. passwords and their adherence to corporate policies | 30 | Q2 | Carol Cutler/all  | Rahim StJohn |
| Devolved Application Teams | H | Audit of the Governance process to ensure that the same procedures are followed as main IT Team – if remain devolved | 30  | Q2 | Corporate Directors | Various |
| **Fraud Risk/Fraud Prevention** |
| Schools Fraud Risk Workshops | H | 10 schools | 15 | Q3-Q4 | Patrick O’Dwyer | Headteachers |
| Personal Budgets sample testing | CR7 - H | Following on from the 2017/18 review that identified significant issues. | 20 | Q3 | Visva Sathasivam | Shaun Riley/Anne Mosley |
| Fuel Cards | H | Review of controls for managing fuel cards following an identified fraud. | 10 | Q1 | Simon Baxter/ Venetia Reid-Baptiste | Rebecca Johnson/Colin Mendel-Lion |
| **Corporate Compliance Checks** |
| Financial Regulations c/f 20171/18 | AGS - H | Sample check that Financial Regulations are being adhered to  | 10 | Q4 | Dawn Calvert  | Sharon Daniels |
| **Corporate Risk Based/Governance Reviews** |
| 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, including Management assurance, plus drafting of the Annual Governance Statement | 30 | Q1-Q4 | Chief Executive/Leader/GARMS | Corporate Governance Group |
| 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 |
| Review of Expenditure/Discretionary Spend c/f 2017/18 | 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 | Q1-Q4 | Dawn Calvert  | Ian EdwardsSpecific DDs depending on sample |
| Audit Committee | AGS - H | Review against CIPFA Guidance | 10 | Q2 | Tom Whiting | Dawn Calvert |
| Schools SLA Traded Services | CR22 - H | Governance and robustness of SLA’s with schools plus the impact of acadamisation | 20 | Q3 | Various | Various |
| GDPR | AGS - H | Readiness/compliance | 5 | Q1 | Tom Whiting | Various |
| Debt Collection | CR2 - H | Review of the implementation of the work undertaken by Finance & Head of Collections | 5 | Q2 | Dawn Calvert | Sharon Daniels/Fern Silverio |
| Health & Safety  | CR13/AGS – H | Assurance on progress for AGS | 5 | Q1 | Paul Walker | Richard Lebrun |
| Build a Better Harrow Governance (LLP/project management/business cases) | CR33 - H | On- going development of governance arrangements | 30 | Q1-Q2 | BBHB | Paul Walker |
| **Directorate Risk Based Reviews****Resources** |
| Financial Regulations c/f 2017/18 | Governance | Feeding into the review and update of Financial Regulations | 5 | Q1 | Dawn Calvert  | Sharon Daniels |
| Cashiers | H | Review of robustness and application of income collection/ allocation / banking procedures | 15 | Q3 | Carol Cutler | Fern Silverio |
| HB Subsidy - SAP/Northgate Imbalance | H | To investigate cause of £400k discrepancy between SAP and Northgate (PwC) | 10 | Q3 | Carol Cutler | Fern Silverio |
| **Community Risk Based Reviews** |
| Homelessness – preventative work *c/f 2017/18* | CR1 – H | Cost, effectiveness and vfm of preventative work to be undertaken in response to the Homelessness Reduction Bill  | 10 | Q2 | Nick Powell | Jon Dalton + others |
| Empty Property Grant - vfm | CR1 – H | Vfm review | 15 | Q2 | Sharon Daniels | Milan Joshi  |
| SMART Lettings/Sancroft  | CR 16 - H | Assurance on achievement of the Business Plans and governance arrangements of wholly own subsides. | 20 | Q2 | Nick Powell/Visva Sathasivam | Nick Powell/Visva Sathasivam |
| Trade Waste Collection | H | Review of processes and controls in place prevent fraud | 15 | Q3 | Venetia Reid-Baptiste  | Alan Whiting |
| Fly Tipping | CR23 | Controls in place to minimize fly tipping | 10 | Q2 | Simon Baxter | Richard Lebrun |
| Museum & Great Barn | CR 22 – H | Income collection & savings from trading units | 10 | Q2 | Mark Billington | Tim Bryan |
|  |  | **Regeneration** |  |
| Aspire Review follow-up | CR 33 - H | Control, risk management, governance assurance work following the completion of the Aspire review. | 20 | Q2 | Paul walker/Dawn Calvert | Paul Nichols |
| Regeneration Contract Management / Payments to Contractors (TB) | CR33 – H | Review of early contracts management on project and payments to contractors | 20 | Q4 | Paul Nichols | Tobias Goevert  |
| **People** |
| Schools | H | Back to basics: 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 SchoolsFinancial Value Standard (SFVS) self-assessment. | 5 | Q1 | Dawn Calvert | Headteachers |
| Families First (Troubled Families Grant) | CR9 & 7 – M | Testing and Grant certification required | 5 | Q1-Q4 | Paul Hewitt | Charisse Monero |
| Watson Care Manager | CR7 - H | Post implementation review in stages of Watson Care Manager | 20 | Q1-Q3 | Visva Sathasivam | Visva Sathasivam |
| Client Billing | H | Review of processes in place for Client Billing for Adult Services (including commitments) - sample test | 10 | Q2 | Visva Sathasivam | Various |
| Fostering | CR9 - H | Review of controls for fostering including implementation of new policy | 15 | Q3 | Paul Hewitt | Peter Tolley  |
| Personal Budgets - Children with Disabilities | CR9 -H | Review of Personal Budget process to include Financial Assessments, Monitoring, Reviews | 20 | Q3 | Visva Sathasivam | Seth Mills |
| **Support, Advice & Follow-up** |
| Emerging Risk Reviews | H | Control, risk management or governance advice/reviews on emerging risks | 50 | Q1-Q4 |  |  |
| Suspected Financial Irregularities + Control Reviews | H | Support & guidance to managers on investigations  | 30 | Q1-Q4 |  |  |
| Professional Advice | n/a | Advice on risk mitigation & control | 40 | Q1-Q4 |  |  |
| Follow-up | n/a | Follow-up of Red, Red/Amber & Amber reports  | 50 | Q1-Q4 |  |  |
| External Audit Liaison | n/a | Liaison with the new External Auditors | 8 | Q1-Q4 |  |  |
| **TOTAL DAYS IN 2017/18 PLAN** |  |  | **855** |  |  |  |
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|  | **Internal Audit Performance Indicator 2018/19** | **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% |
|  | **Corporate Performance Indicator** | **Target** |
| 1 | Implementation of recommendations | 90% |

**Corporate Anti-Fraud Plan 2018/19**

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|  | **Fraud work stream** | **Reasoning for inclusion/risks** | **Proposed counter fraud activity** | **QTR** |
|  | **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.**  |  |
| 1 | Corporate fraud risk assessment | Following self-assessment against the 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. | Q4 |
| 2 | CIPFA Fraud Code self assessment  | Best practice | Undertake an annual self-assessment against the CIPFA Code of Managing the Risk of Fraud & Corruption to measure resilience and progress made against   | Q3 |
| 3 | Corporate fraud risk register | Following self-assessment against the CIPFA Code of Managing the Risk of Fraud & Corruption framework | Finalise, co-ordinate, review and facilitate the updating of the fraud risk register where significant fraud and corruption risks are identified, mitigated, monitored and updated at least annually  | Q1-4 |
| 4 | Corporate Anti-Fraud & Corruption Strategy | Following self-assessment against the CIPFA Code of Managing the Risk of Fraud & Corruption framework | Review the Corporate Anti Fraud & Corruption Strategy 2016-19 that links to 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  | Q4 |
| 5 | Establish a fraud loss value methodology | Following self-assessment against the CIPFA Code of Managing the Risk of Fraud & Corruption framework | Develop and implement a fraud loss value methodology to apply consistently to significant fraud risk exposures enabling fraud losses to be measured accurately  | Q1-2 |

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|  | **Objective: Prevent, detect and deter fraud and corruption impacting the organisation by raising awareness of fraud and corruption**  |  |
| 6 | National Fraud Initiative co-ordination role | Cabinet Office mandatory function | Co-ordination of the 2018/19 National Fraud Initiative (NFI) match processing including:- * Ensuring the authority complies with fair processing guidelines required to submit data into the exercise in accordance with timescales so as to be compliant with GDPR
* Supports service areas in extracting the data from core systems in the required specification in accordance with timescales
* Upload the data securely onto the Cabinet Office NFI portal and in accordance with timescales
* Liaise with service areas when the datamatches are released back to authority in January 2019 to ensure that action is commenced promptly on those matches that are deemed to be high risk
 | Q2-4 |
| 5 | Corporate anti-fraud awareness | Following self assessment against the CIPFA Code of Managing the Risk of Fraud & Corruption framework and internal fraud risk workshops  | 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:- * Embed fraud E-learning to existing employees
* Elected Member fraud awareness training
* Raising fraud awareness in schools in conjunction with Internal Audit’s annual programme of planned works
* Chief Executive Newsletter articles on fraud and corruption
* CAFT Hub/web pages review and refresh
* Issuing management reports detailing investigation outcomes and recommendations for improving fraud risk controls are implemented if agreed according to risk (KPI5)
* Deliver fraud workshops/CAFT attendance at team meetings for high fraud risk areas
* Publicity through all forms of media on successful fraud cases, fraud initiatives and related prosecution outcomes
* Design and delivery of an anti-fraud week to raise awareness internally and within the community
 | Q1-4Q1-4Q1-4Q1-4Q2Q1-4Q1-4Q1-4Q3 |
| 6 | Fraud liaison | Best practice | Explore, 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 Chartered Institute of Public Finance and Accountancy (CIPFA) and the proposed London Counter Fraud Hub (LCFH) | Q1-4 |
| 7 | Internal datamatching | Best practice | Design and deliver an anti fraud campaign using the iDIS data matching tool for the purposes detecting, preventing and pursuing fraud and corruption   | Q3 |

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|  | **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**   |  |
| 8 | Housing fraud | Following fraud risk assessment & Protecting the English Public Purse | 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:* Seek to recover 12 social housing units subject to fraud & misuse (KPI1)
* Prevent housing application fraud through a proactive fraud risk based targeted review of those customers in emergency accommodation
* 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 (KPI2)
* Prevent mutual exchange, succession and assignment fraud through targeted application validation and working with the service area

 * Work with Housing and Communications to run a housing fraud centric publicity campaign to raise awareness internally and the community
* 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
 | Q1-4Q2Q1-4Q1-4Q1-4Q1-4 |
| 9 | Internal fraud & corruption | Following fraud risk assessment & Protecting the English Public Purse | 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 (KPI3).  | Q1-4 |
| 11 | Revenues/Business Rates/Council Tax Support fraud | Following fraud risk assessment & Protecting the English Public Purse | Work in partnership with Revenues and Benefits to investigate allegations of fraud and abuse on a risk basis 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 risk assessment & Protecting the English Public Purse | Work in partnership with the People Directorate to investigate allegations of fraud and abuse of the social care system including but not limited to:-* Personal budgets applications, assessment and monitoring of spend

 * A proactive fraud risk based exercise in relation to those individuals being financially supported in long term residential care
 | Q1-4Q1-4 |
| 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 |
| 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. (KPI4) | Q1-4 |

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| **No.** | **CAFT Key Performance Indicators 2018/19** | **Target** |
| 1. | Recovery of 12 social housing units subject to fraud and misuse [[2]](#footnote-2) | 100% |
| 2. | Fraud validation checks undertaken on Right to Buy applications referred to the CAFT at offer stage and before completion | 90% |
| 3. | Internal fraud and corruption referrals risk assessed and resources deployed in 5 working days | 80% |
| 4. | Fraud and corruption referrals risk assessed and resources deployed in 10 working days | 80% |
| 5. | Fraud risk recommendations agreed for implementation [[3]](#footnote-3) | 60% |

**Justin Phillips**

**Service Manager, Corporate Anti-Fraud**

**Susan Dixson**

**Head of Internal Audit**

**April 2018**

1. Wherever possible risk ratings are taken from the Corporate (prefix CR), an audit risk assessment is undertaken for all other reviews. [↑](#footnote-ref-1)
2. Target reduced from 15 units in 17/18 due to a planned reorganisation diverting resources to other areas in the fraud plan [↑](#footnote-ref-2)
3. New KPI so target will be closely monitored in 18/19 [↑](#footnote-ref-3)