

HARROW COUNCIL
INTERNAL AUDIT & CORPORATE ANTI-FRAUD PLAN 2018/19

Appendix 1

Internal Audit Plan 2018-19

Review Area/Links Harrow Ambition Plan 2020	Risk Assessment¹	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 (<i>Key control review due but medium risk</i>)	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

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

HARROW COUNCIL
INTERNAL AUDIT & CORPORATE ANTI-FRAUD PLAN 2018/19

Appendix 1

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 2017/18	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 policies & 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 Edwards Specific 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

HARROW COUNCIL
INTERNAL AUDIT & CORPORATE ANTI-FRAUD PLAN 2018/19

Appendix 1

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 subsidies.	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 Govert
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	5	Q1	Dawn Calvert	Headteachers

HARROW COUNCIL
INTERNAL AUDIT & CORPORATE ANTI-FRAUD PLAN 2018/19

Appendix 1

		Schools to complete the Schools Financial Value Standard (SFVS) self-assessment.				
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			

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%

**HARROW COUNCIL
INTERNAL AUDIT & CORPORATE ANTI-FRAUD PLAN 2018/19**

Appendix 1

Corporate Anti-Fraud Plan 2018/19

	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

**HARROW COUNCIL
INTERNAL AUDIT & CORPORATE ANTI-FRAUD PLAN 2018/19**

Appendix 1

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	<p>Co-ordination of the 2018/19 National Fraud Initiative (NFI) match processing including:-</p> <ul style="list-style-type: none"> • 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	<p>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:-</p> <ul style="list-style-type: none"> • 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 	<p>Q1-4</p> <p>Q1-4</p> <p>Q1-4</p>

**HARROW COUNCIL
INTERNAL AUDIT & CORPORATE ANTI-FRAUD PLAN 2018/19**

Appendix 1

			<ul style="list-style-type: none"> • 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 	<p>Q1-4</p> <p>Q2</p> <p>Q1-4</p> <p>Q1-4</p> <p>Q3</p>
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

**HARROW COUNCIL
INTERNAL AUDIT & CORPORATE ANTI-FRAUD PLAN 2018/19**

Appendix 1

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	<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"> • 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 	<p>Q1-4</p> <p>Q2</p> <p>Q1-4</p> <p>Q1-4</p> <p>Q1-4</p>

**HARROW COUNCIL
INTERNAL AUDIT & CORPORATE ANTI-FRAUD PLAN 2018/19**

Appendix 1

				Q1-4
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 working 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	<p>Work in partnership with the People Directorate to investigate allegations of fraud and abuse of the social care system including but not limited to:-</p> <ul style="list-style-type: none"> • 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 	Q1-4 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
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

**HARROW COUNCIL
INTERNAL AUDIT & CORPORATE ANTI-FRAUD PLAN 2018/19**

Appendix 1

No.	CAFT Key Performance Indicators 2018/19	Target
1.	Recovery of 12 social housing units subject to fraud and misuse 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	60%

Justin Phillips
Service Manager, Corporate Anti-Fraud

Susan Dixon
Head of Internal Audit

April 2018

² Target reduced from 15 units in 17/18 due to a planned reorganisation diverting resources to other areas in the fraud plan

³ New KPI so target will be closely monitored in 18/19