

oneSource Internal Audit is a statutory service in the context of The Accounts and Audit (England) Regulations 2015, which state: “A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.

From April 2013, organisations in the UK public sector are required to adhere to the Public Sector Internal Audit Standards (the Standards).

The Standards require that the Chief Audit Executive (Head of Assurance) “establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals”. When completing these plans, the Head of Internal Audit should take account of the organisation’s risk management framework. The plan should be adjusted and reviewed, as necessary, in response to changes in the organisation’s business, risk, operations, programs, systems and controls. The plan must take account of the requirement to produce an internal opinion and assurance framework.

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This audit plan has been drawn up, therefore, to enable an opinion to be provided at the end of the year in accordance with the above requirements.

The expectation of the public for services provided by the public sector has never been greater; yet the money that is available for these services will continue to be reduced. All public sector organisations are looking at how these services can be transformed; what worked in the last decade may not meet new challenges. The use of, and dependency on, IT for service delivery will only increase further; this brings rewards but also carries its own risk.

The Internal Audit function has a key role in helping management fully understand their risks and in designing effective and efficient controls that mitigate these risks to an acceptance level; a consistent application of a quality internal audit opinion assists the organisation to develop alternative and new delivery solutions that will deliver the service required.

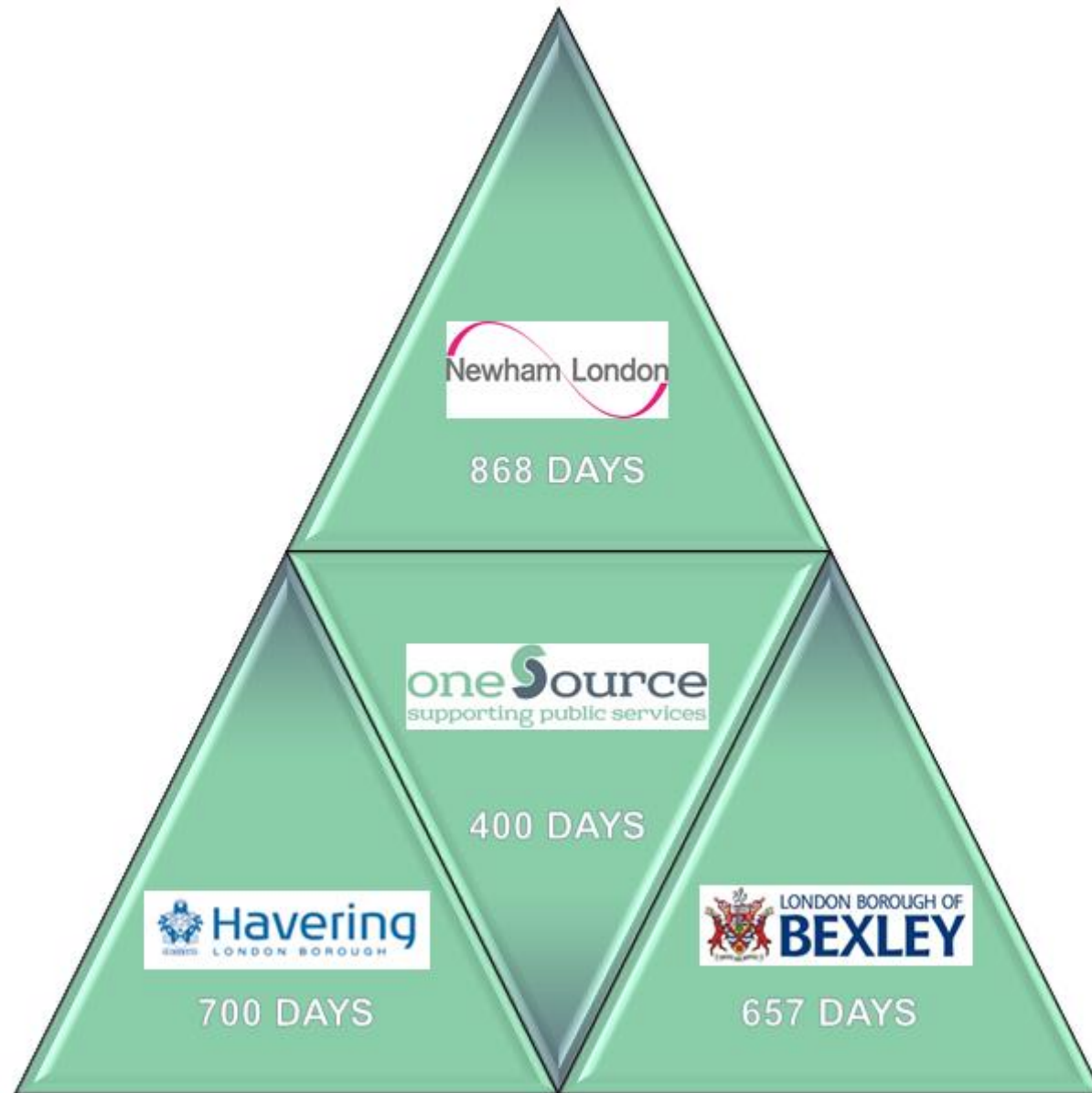
The audit plan has been developed to enable us to respond to changes during the year. Whilst every effort will be made to deliver the plan, it must be recognised that we need to be flexible and prepared to revise audit activity – responding to changing circumstances or emerging risks. **The plan is therefore a statement of intent** – our liaison meetings with senior management will enable us to firm up audit activity during the year.

The oneSource Internal Audit plan coverage for **2017/18** includes 2,700 direct days in line with the pre restructure business case. It should be borne in mind that, in accordance with the Public Sector Internal Audit Standards, the plan needs to be flexible to be able to reflect and respond to the changing risks and priorities of the Authorities and, to this end, it will be regularly reviewed, and updated as necessary, to ensure it remains valid and appropriate. As a minimum, the plan will be reviewed in six months to ensure it continues to reflect the key risks and priorities of the oneSource Councils given the significant changes across the public sector. In order to allow greater flexibility, the Internal Audit Plan includes a contingency to allow for unplanned work.



Havering
LONDON BOROUGH

The Audit Plan for Havering includes 700 days for Havering, and 400 days for oneSource Services. There is also a provision of 75 days across the three councils for Internal Audit support of Proactive and Counter Fraud work.



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Council	Directorate /Service	Audit name	Days v1	Objective or Rationale
oneSource	Exchequer & Transactional Services (oneSource)	NNDR - debt recovery and write offs	25	To confirm that there are robust arrangements to ensure that NNDR income is maximised.
oneSource	Exchequer & Transactional Services (oneSource)	Establishment controls	30	Review the adequacy of controls and processes relating to the staff establishment
oneSource	Exchequer & Transactional Services (oneSource)	Housing Benefit - new claims or changes in circumstances	30	Review to be scoped in consultation with Director of Exchequer and Transactional Services
oneSource	Exchequer & Transactional Services (oneSource)	Staff Vetting	30	Compliance checks on ID check, right to work, and criminal records clearance
oneSource	Exchequer & Transactional Services (oneSource)	Debt Recovery	30	To confirm that there are robust arrangements to ensure that income is maximised.
oneSource	Exchequer & Transactional Services (oneSource)	Northgate (Revs & Bens) application review	15	Review to confirm availability, integrity and confidentiality of data
oneSource	Exchequer & Transactional Services (oneSource)	Enforcement Agents	25	To confirm compliance with the Taking Control of Goods (Fees) Regulations 2014
oneSource	Finance	Budget Monitoring / Savings Programme	40	Although a national risk, bringing together three council's processes requires a review of controls. Failure of oneSource to meet financial targets is already considered in each council's risk register.
oneSource	Finance	Treasury Management	25	Key financial system bringing together three council's processes requires a review of controls.
oneSource	Finance	Pension Fund governance	25	Ensure governance standards are made and include preparation for investment vehicles
oneSource	Finance	1Oracle	30	Health check and follow up of recommendations from prior year audit
oneSource	Human Resources/Organisational Development	Off payroll engagement / IR35	20	Review of authority arrangements to review and record status of temporary agency staff, personal service companies and consultants under new HMRC requirements
oneSource	ICT	Cyber security	30	Review against GCHQ cyber security guidance
oneSource	Procurement	Serious and Organised Crime	15	Raise awareness of the findings from Organised Crime Procurement Pilot reports and carry out Audit following Home Office Guidance

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oneSource	Procurement	Procurement - including compliance with Public Contract Regulations 2015	30	Review to establish compliance with Council rules and regulations, use of Capital Esourcing and checkpoint governance or equivalent.
oneSource	Total presented to Audit Board/Committee		400	
Council	Directorate /Service	Audit name	Days v1	Objective or Rationale
Pro-Active and Counter Fraud	Cross cutting	Proactive and counter fraud support by Internal Audit	75	Contingency outside of counter fraud work. This provision is across all three Boroughs.
Fraud	Total presented to Audit Board/Committee		75	
Council	Directorate /Service	Audit name	Days v1	Objective or Rationale
Havering	Adults' services	Care packages	15	Confirm that care packages meet the client's needs and are value for money
Havering	Adults' services	Reablement service	15	Confirm that the service is effective and efficient
Havering	Adults' services	Care Act 2014 - Safeguarding	15	Compliance with the Council's safeguarding policies and procedures in line wit the Care Act 2014
Havering	Adults' services	Health and Social Care Integration - Hospital Discharges	15	Ensure that arrangements between the Council and NHS Trust is effective and efficient
Havering	Children's services	Troubled Families programme	10	Grant certification in accordance with Terms and Conditions
Havering	Children's services	No Recourse to Public Funds (NRPF)	15	Fraud prevention systems review. Issues identified at other authorities.
Havering	Community and Resources	Client Finance deputyship and appointees	15	Carry out spot checks of client files and review compliance with revised administration of records
Havering	Community and Resources	Fairkytes	15	Review of financial and management information system
Havering	Cross cutting	Accounts payable service payment teams in directorates	15	Services supply information which interface with Oracle. Review controls in operation.

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Havering	Cross cutting	Information Governance / Data Protection	15	Review arrangements prior to regulations (GDPR) coming in to force. Significant penalties may be incurred for non-compliance. Increasing volumes of data also raises risk. Also consider compliance with retention schedules
Havering	Cross cutting	Contract Management: Client checking of contractor works	15	Confirm that contract management arrangements are operating effectively.
Havering	Cross cutting	Corporate Culture	20	Ethics review. To include, for example, declarations of interest and gifts and hospitalities
Havering	Cross cutting	Compliance with new Report Approval Processes	12	To ensure that corporate processes for input and clearance of decision making reports are applied consistently
Havering	Cross cutting	Alternative delivery models	20	Governance arrangements and process of adopting alternative delivery models
Havering	Crosscutting (Adults/Children)	Children's and Adults' disability service	20	Confirm that service is operating effectively and efficiently
Havering	Housing	Homelessness - Housing Tenancy Arrangements	15	Confirm that the service is effective and efficient
Havering	Housing	Private Sector Leasing scheme - Liberty Housing	20	Post implementation of new system
Havering	Housing	Housing and Planning Act 2016	20	Ensure that the Council is operating in accordance with the Act
Havering	oneSource ICT	Data warehouse security	15	Confirm that confidential and personal data is protected and access to it controlled
Havering	Schools	Branfil Primary	5	Review of systems and procedures including: ♦ Purchasing and payments ♦ Taxation ♦ Income/bank reconciliation ♦ Petty cash/cheque reimbursements ♦ School inventory ♦ Payroll ♦ Budgetary controls management ♦ Computer and information security ♦ School voluntary fund
Havering	Schools	Crownfield Infant	5	
Havering	Schools	Crownfield Junior	5	
Havering	Schools	Engayne Primary	5	
Havering	Schools	Gidea Park Primary	5	
Havering	Schools	Harold Court Primary	5	
Havering	Schools	Scargill Infant	5	
Havering	Schools	Squirrels Heath Infant	5	
Havering	Schools	Squirrels Heath Junior	5	
Havering	Schools	St Alban's RC Primary	5	

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Havering	Schools	St Mary's RC JM&I	5	
Havering	Schools	Towers Junior	5	
Havering	Schools	Whybridge Junior	5	
Havering	Schools	Health checks (30)	75	Requested and funded by Schools
Havering	Governance	Consultancy and advice to directorates	20	Contingency for advice / guidance contribution to corporate projects
Havering	Governance	Schools' consultancy	20	Advice and Guidance includes development and management of programme
Havering	Governance	NFI - Counter Fraud support	10	Provision to assist counter fraud team with NFI issues
Havering	Governance	External Grants	10	Contingency for certification requests that may arise
Havering	Governance	Monitoring arrangements (council awarded grants)	10	Council awarded grants
Havering	Governance	Follow up and implementation of higher priority recommendations	40	Ensuring implementation of recommendations
Havering	Governance	Provision of training	10	Training courses on control risk or corporate governance
Havering	Governance	External liaison with other authorities and agencies	10	Effective contributions to regional or national initiatives
Havering	Governance	Corporate Governance (inc. audit committee and s.151 support)	15	Advice/guidance to Members/Senior Management
Havering	Governance	Attendance at Assurance and Governance Boards or equivalent	10	Provision for meetings and preparation
Havering	Governance	Annual Report & Internal Audit Plan	10	Strategic evaluation of outcomes and trends to advice Management leading to effective planning and prioritisation of resources for current and future years
Havering	Governance	Contingency allowance and provision for assurance work on emerging risk	93	Work to be commissioned following risk assessment and agreement by Senior Management
Havering	Total presented to Audit Board/Committee		700	
		Total	1175	