

## London Councils Internal Audit Plan Progress Report 2016/17

AUDIT REVIEW	MAN DAYS	PROGRESS	ASSURANCE RATING	OBJECTIVES	RECOMMENDATIONS			
Key Financial Controls (Budget Management; Gifts: Hospitality; and Income)	15	Fieldwork		This review will focus on the following specific areas: Budget Management; Gifts; Hospitality; and Income.	RED	AMBER	GREEN	TOTAL
Key Conclusions					Management Comments			
AUDIT REVIEW	MAN DAYS	PROGRESS	ASSURANCE RATING	OBJECTIVES	RECOMMENDATIONS			
Grants 2016-17	5	Final Report	AMBER	A limited probity review, which will examine the monitoring processes for a sample of current grant funded organisations.	RED 0	AMBER 3	GREEN 0	TOTAL 3
Key Conclusions					Management Comments			
<p>Information was reviewed relating to grant funded projects within the grants data base system 'GIFTS'. In addition, discussions were held with the Principal Grants Manager and members of Grants Team to ascertain procedures over applications, monitoring, financial checking and value for money.</p> <p>Based on sample testing and discussion with staff, this review concluded that, generally, there is a satisfactory level of control over: checking and assessing applications for funding; monitoring project progress to agreed outcomes; and assessing performance and the achievement of value for money. The general monitoring framework, in place, is sound; however, scope exists to improve the processes for checking the financial stability of organisations prior to and during funding. (For example, obtaining three sets of accounts for applicants at application stage; increasing the number of financial checks undertaken on accounts in response to the following the closure of Eaves Housing For Women charity; and logging checks made on the GIFTS system).</p> <p>Management accepted all three recommendations and will implement them all by 31 January 2017.</p>					<p><b>Recommendation 1</b> <b>Three years audited financial statements should be requested on new funding applications.</b></p> <p>"There are resource implications regarding the request for three sets of accounts at application stage (both in terms of officer time and IGAM upload fees per document). I would suggest that three sets of accounts are only requested for the top scoring bids that are likely to be recommended.</p> <p>Action: To include in the application guidance and scoring manual that an additional two sets of accounts will be sought for the highest scoring/recommended applications".</p> <p><b>Recommendation 2</b> <b>The six proposed additional financial checks following the closure of Eaves Housing For Women charity should be included as part of the annual Due Diligence Checks as well as the additional three recommended audit checks</b></p> <p>"Officers have some concerns that adding additional checks might cover more resources than we have available for this process (checking accounts is just part of the monitoring process.</p> <p>Action: To include the additional 9 checks and to review these to ensure they are all necessary after 12 months and how much</p>			

					<p>resources they are involving (versus how much is available).”</p> <p><b>Recommendation 3</b>  <b>The Due Diligence Checks performed on annual audited financial statements submitted by funded organisations should be recorded and logged against all projects in GIFTS.</b></p> <p>Officers record the fact that the checks have taken place; however, the checks are not recorded individually in one place.</p> <p>Action: To include the additional checks to the grants team log.</p>			
<b>AUDIT REVIEW</b>	<b>MAN DAYS</b>	<b>PROGRESS</b>	<b>ASSURANCE RATING</b>	<b>OBJECTIVES</b>	<b>RECOMMENDATIONS</b>			
Procurement of Goods and Services	15	Draft Report		A full assurance review of the control environment for requisitioning, ordering and payment of goods and services procured by London Councils	RED	AMBER	GREEN	TOTAL
<b>Key Conclusions</b>					<b>Management Comments</b>			

AUDIT REVIEW	MAN DAYS	PROGRESS	ASSURANCE RATING	OBJECTIVES	RECOMMENDATIONS			
ICT Information Governance	10	Not started		The purpose of this full assurance review is to assess the adequacy of governance arrangements for London Councils' information communication technology.	RED	AMBER	GREEN	TOTAL
Key Conclusions					Management Comments			
AUDIT REVIEW	MAN DAYS	PROGRESS	ASSURANCE RATING	OBJECTIVES	RECOMMENDATIONS			
Recruitment and Payroll Adjustments	10	Not started		A limited probity review of a sample of transactions in respect of recent recruitment and changes in payroll.	RED	AMBER	GREEN	TOTAL
Key Conclusions					Management Comments			
AUDIT REVIEW	MAN DAYS	PROGRESS	ASSURANCE RATING	OBJECTIVES	RECOMMENDATIONS			
Governance arrangements	5	Not started		This review will examine the processes for decision-making and the adequacy of reporting.	RED	AMBER	GREEN	TOTAL
Key Conclusions								

<b>Total</b>	<b>60</b>							
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\* Subject to agreement of scope with service managers when preparing the terms of reference.