

Subject: Internal Audit Reports

Report to: Audit Panel

Report of: Executive Director of Resources

Date: 10 July 2012

This report will be considered in public

1. Summary

- 1.1 This report informs the Panel of recent internal audits, a progress report from the internal auditor and her Annual Assurance Report.

2. Recommendations

2.1 That the Audit Panel notes:

- (i) **The contents of recent internal audit reports at Appendices 1a to 1e and 2a to 2c and makes comments as appropriate;**
- (ii) **The progress report from the internal auditor; and**
- (iii) **The Annual Report 2011/12 from the internal auditor.**

3. Background

3.1 The GLA's Internal Auditor, the MOPAC, have recently issued the following reports:

- Review of London Engagement, Marketing and Events;
- Review of Information Management (Accessibility of Public Data);
- Review of Business Continuity Control Framework;
- Review of Gifts and Hospitality – report to follow;
- Review of City Operations Programme Management Framework;
- Follow up Review of Risk Management;
- Follow up Review of Mayor's Planning Powers;
- Follow up Review of Expenses and Benefits Control Framework.

- 3.2 These reports are attached as **Appendices 1a to 1e and Appendices 2a to 2c** respectively. A short commentary on them is set out at section 4. Attached as **Appendix 3** is Internal Audit's progress report and at **Appendix 4** the internal auditor's Annual Report 2011/12.

4. Recent Internal Audit Reports

Level of Assurance

- 4.1 Internal Audit award a level of assurance for each audit they undertake. The four categories of assurance are, as follows:

Level 1 or Full Assurance

There is particularly effective management of key risks and business objectives are being achieved.

Level 2 or Substantial Assurance

Key risks are being managed effectively, however some controls need to be improved to ensure business objectives are met.

Level 3 or Limited Assurance

Some improvement is required to address key risks before business objectives can be met.

Level 4 or No Assurance

Significant improvement is required to address key risks before business objectives can be met.

Internal Audit Recommendations and Action

- 4.2 Set out below is a summary of recent internal audit reports showing the level of assurance awarded.

Audit	Ref	Responsibility	Level of Assurance
Review of London Engagement Marketing and Events	1a	Director of Marketing and 2012 Communications	Substantial
Review of Information Management (Accessibility of Public Data)	1b	Head of Technology	Substantial
Review of GLA's Business Continuity Control Framework	1c	Head of Technology	Substantial
Review of Gifts and Hospitality	1d	Head of Committee and Member Services	To Follow
Review of City Operations Programme Management Framework	1e	Director of London 2012 Co-ordination	Full
Follow up Review of Risk Management	2a	Head of Governance & Resilience	Substantial
Follow up Review of Mayor's Planning Powers	2b	Senior Manager – Planning Decisions	Substantial

Follow up Review of Expenses and Benefits Control Framework	2c	Assistant Director – Finance	Substantial
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- 4.3 The Panel’s attention is drawn to the fact that one of these reports has been awarded full assurance and all the others have a substantial assurance rating. The Panel is asked to note the contents of recent internal audit reports at Appendices 1a to 1e and 2a to 2c and make comments as appropriate.
- 4.4 Attached at **Appendix 3** is a progress report from the MOPAC, which includes details of the 2012-13 Audit Plan. The Panel might particularly wish to review the Plan. The report also indicates that the internal auditor will be changing the assurance rating classification. The Panel is asked to note this report.
- 4.5 Attached at **Appendix 4** is the internal auditor’s Annual Assurance Report. She reports that the GLA has an effective internal control environment. The Panel is asked to note this report.

5. Legal Implications

- 5.1 Under Section 127 of the Greater London Authority Act 1999 (the Act) (as amended) every “relevant authority” is required to “make arrangements for the proper administration of its financial affairs”. In addition, it “shall secure” that its Chief Finance Officer or equivalent (in the GLA’s case the Executive Director of Resources) has responsibility for “the administration of those affairs”.
- 5.2 Further, the Authority as a whole is required to “maintain an adequate and effective system for internal audit” in accordance with the proper practices in relation to Internal control under Regulation 6 of the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (Amendment)(England) Regulations 2006 (SI 2006/564) and this function is delegated to the Executive Director of Resources to assist him in meeting his statutory functions under Section 127. These regulations also require the Authority to conduct a review of the effectiveness of its system of internal audit at least once in each year.

6. Financial Implications

- 6.1 There are no direct costs associated with the implementation of the audit recommendations made in the reports.

List of appendices to this report:

Internal Audit reports

Appendix 1a – Review of London Engagement (Marketing and Events)

Appendix 1b – Review of Information Management (Accessibility of Public Data)

Appendix 1c – Review of the GLA’s Business Continuity Control Framework

Appendix 1d – Review of Gifts and Hospitality – To Follow

Appendix 1e – Review of City Operations Programme Management Framework

Appendix 2a – Follow up Review of Risk Management

Appendix 2b – Follow up Review of Mayor’s Planning Powers

Appendix 2c – Follow up Review of Expenses and Benefits Control Framework

Appendix 3 – Progress report from MOPAC.

Appendix 4 – Annual Report 2011/12

Local Government (Access to Information) Act 1985

List of Background Papers:

There are none.

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