

Update on the work of the Internal Review Service of the House of Commons

Note by the Director of the Internal Review Service

1. The purpose of this note is to inform the Board of Management of IRS activities during the financial year 2007/08, and relevant issues.
2. The Clerk of the House advised by the Audit Committees agrees an annual programme of internal audit. IRS circulated the programme for 2007/08 to members of the BoM and to other key stakeholders in April. IRS also circulates to key stakeholders a monthly progress report on active audits.
3. The attached annex sets out the audit activity for the year to date including the completion of audits carried over from 2006/07. There is always some carry across from one year to the next to ensure that audit staff are continuously employed.

Control Risk Self Assessment

4. CRSA is a methodology not used before in the House. It offers the prospect of a broader coverage than traditional methods, but in less detail. It is best applied in areas where compliance with procedures is important and there are good internal controls. The methodology involves constructing an internal control document against which future performance of the system of internal controls can be measured. Getting it started is a labour intensive exercise for IRS although the approach adopted will not impact heavily on the target areas.
5. The methodology is being used in the HR and finance delegated models. A 2 hour workshop with central HR staff was held in September and another for departmental HR staff is being planned. Similar workshops will be held for finance staff.

IT and works

6. At the request of the Administration Estimate Audit Committee greater attention is being paid to works and IT issues this year.
7. The review of IT asset management has been deferred because consultants were engaged to formulate a House wide policy on asset management. The new policy, which is now being implemented, covers similar ground to the planned review. IRS will review the area after the new policy has been established in about eighteen months' time. The AEAC have been informed.
8. It has been decided not to allow PwC staff to access IT systems unless they have been security cleared, which is being done. Even with security clearance access will need to be justified on a case by case basis. Where appropriate PICT staff may access the information required or sit alongside the PwC auditor. This policy was set by Director of PICT with the support of the department of the SAA. The application of this policy is not expected to cause undue delay.

Review of IRS

9. A review of the internal audit function of IRS for the Clerk of the House has been carried out by the House of Commons Scrutiny Unit. The report looks beyond the retirement of the current Director in June 2008 and the end of the primary period of the contract with PwC to identify the kind of internal audit service that will then be required. Decisions on these matters will be made shortly. Plans are in hand to recruit a new Director.

Richard Russell
October 2007

Ref	Resource	Topic	Stage	Sponsor	Audit Cttee date
1	Pwc/IRS	Members Allowances	Complete and issued	DoFA	April 2007
2	PwC	VFM of Cleaning Services (Phase II)	Complete and issued	Assistant SAA (Accommodation)	April 2007
3	PwC	Metropolitan Police contract	Complete and issued	Deputy SAA	April 2007
4	IRS	VFM of use of consultants	Complete and issued	DoFA	April 2007
5	IRS	Follow-up of recommendations (2007)	Complete and issued	None	April 2007
6	IRS	Manual payments	Complete and issued	Director Operations DFA	April 2007
7	IRS	Preparation of Financial Statements	Complete and issued	Director FMD DFA	April 2007
8	PwC	Risk assurance 2006/07 (part A)	Complete and issued	SAA & Librarian	July 2007
9	PwC	Senior Management development Programme	Complete and issued	DoFA	July 2007
10	PwC	Change management process	Complete and issued	Clerk Assistant	July 2007
11	IRS	Software licence management	Complete and issued	Head of PICT HR	October 2007
12	PwC	Professional Education and Access	Awaiting mgt response	Head Corporate Learning & Dev	October 2007
13	IRS/HoL	Parliamentary Office of Science and Technology	Awaiting mgt response	DoFA & Lords Head of Finance	October 2007
14	PwC	Environmental	Awaiting mgt response	Directors of Works Services & Estates	October 2007
15	PwC/IRS	Handling Parliamentary Questions	Awaiting mgt response	Principal Clerk, Table Office	October 2007
16	PwC	Risk assurance 2006/07 (Additional work)	Fieldwork	DoFA	Dec/Jan 2007
17	PwC	Vacancy management	Awaiting mgt response	Director HRMD DFA	Dec/Jan 2008
18	PwC	IT hardware procurement & Contract best value	Draft report	Director OF Operations PICT	Dec/Jan 2008

Ref	Resource	Topic	Status	Sponsor	Audit Cttee date
19	PwC	Business continuity of IT infrastructure	Fieldwork	Director of PICT	Dec/Jan 2008
20	PwC	Relationship mgt and communications with suppliers	Position paper	Editor Official Report	Dec/Jan 2008
21	PwC	HAIS procure to Pay	Draft term of reference	Deputy Director of FA	Dec/Jan 2008
22	IRS	HR delegated model	Fieldwork/workshops	Director HRMD DFA	April 2008
23	IRS	Finance delegated model	Fieldwork/workshops	Director Financial management FA	April 2008
24	PwC	Work-life balance	Scoping	Editor Official Report	April 2008
25	PwC	Project mgt of projects of £200,000 and under	Draft term of reference	Director of PICT	April 2008
26	PwC	Change mgt - compliance with PICT standards	Not started	Director of PICT	April 2008
27	IRS	Follow-up of previous recommendations	Not started	None	April 2008
28	PwC	Health & safety procedures following accidents	Not started	Head of OHSWS	April 2008
29	PwC	Risk assurance 2007/08	Not started	Andrew Walker	April 2008
30	Unallocated	IT strategy	Reserve topic	Director of PICT	-
31	Unallocated	Performance measurement and assessment	Reserve topic	DoFA	-
32	PwC	Asset register management	Deferred (see covering note)		-
33	IRS	HCMF administrative procedures	final report	Director of Operations DFA	Mgt review
34	PwC	Works authorisation procedures	Just starting	Head of Serjeant's Finance Unit	Dec/January 2008