



Internal Audit Plan

2024-2025

A. Core Assurance Work

This section of the plan lists the work that will be undertaken in-year to provide assurance over the Council's core/key systems and controls. In order to ensure a balanced view of assurance is delivered across these areas, a number of core systems and processes have been scheduled for coverage on a periodic basis, rather than on a pure risk basis, with all scheduled to be covered at least once across a three-year period – see the full three-year cyclical plan at **Section E**.

Whilst there may still be a need to flex this plan in response to significant changes or risks, it is anticipated that this aspect of the plan will remain relatively stable and unchanged in-year.

Ref	Core System / Process	Rationale / Indicative Scope	Planned Quarter
Key Financial Systems			
CA1	General Ledger	To provide assurance over the effectiveness and efficiency of key controls.	Q2/3
CA2	Budgetary Control	To provide assurance over the effectiveness and efficiency of key controls.	Q2/3
CA3	VAT	To provide assurance over the effectiveness and efficiency of key controls.	Q2/3
CA4	Treasury Management	To provide assurance over the effectiveness and efficiency of key controls.	Q2/3
CA5	Insurance	To provide assurance over the effectiveness and efficiency of key controls.	Q2/3
Cyber Security / IT Network and Infrastructure			
CA6	Cyber Security, IT Network and Infrastructure.	<p>The following risk-based reviews have been proposed relating to the Shared Technology Service:</p> <ul style="list-style-type: none"> - Procurement, including arrangements for supplier selection. - Project Management, including arrangements for managing the implementation of key projects relating to Cyber Security; and - Financial Management, including a review of STS key financial management controls. <p><i>An IT audit plan is agreed in collaboration with Internal Audit teams from the other participating Boroughs, which outputs shared across all Councils.</i></p>	<p>Q1-4 <i>Subject to coordination with STS and other boroughs.</i></p>

Ref	Core System / Process	Rationale / Indicative Scope	Planned Quarter
	Core Systems/Processes		
CA7	Housing Compliance	A continued and rolling programme of assurance over this key area of inherent risk. Scope to be determined in-year – to focus on a specific aspect of housing compliance (Fire, Legionella, Asbestos, Gas, Electrical).	Q1/2
CA8	Recruitment (Vetting, Starters, Leavers)	To provide assurance over the effectiveness and efficiency of key recruitment and vetting controls.	Q3
CA9	Adults Safeguarding	A risk-based review over key controls and processes in place to manage risks relating to adults safeguarding. Scope to include any issues/actions following the CQC inspection.	Q4
CA10	Health and Safety	A risk-based review over an aspect of Health and Safety. Scope to be determined in-year.	Q4
CA11	School Reviews	Risk-based reviews of a sample of schools (to be determined in conjunction with CYP). To also include the design and coordination of a controls self-assessment for schools to complete.	Q1-4
CA12	Supporting Families	Independent certification and verification of the supporting families grant.	Q1-4

B. Agile Risk-based Plan

This section of the plan provides a list of potential audit areas, alongside a supporting scope and/or rationale for inclusion. These areas have been determined through a comprehensive planning exercise, including:

- an Internal Audit risk assessment.
- assurance mapping against the strategic and key inherent risks.
- horizon-scanning to identify new/emerging risks, and
- consultation with senior management.

This section of the plan needs to be flexible to respond to changing risks and priorities, and to ensure audit resources are allocated efficiently and effectively to areas with the greatest assurance need. It has therefore been presented in two parts: the first part lists the audits we are proposing to undertake in Quarters 1 and 2; and the second part lists the remaining potential audit areas that will be considered for completion in Quarters 3 and 4.

It should be noted that resources required to deliver all the audits listed in this section (in conjunction with those audits listed in the sections above and below) exceeds the resources available to the Internal Audit function. The list below is therefore not a rigid plan, and nor is it a list of formal commitments. The Head of Internal Audit will determine, adjust and revise this plan as necessary in-year, with updates reported to CMT and the Audit and Standards Advisory Committee as appropriate. As a minimum, an updated plan will be presented at the September (mid-year point) and January/February (in preparation for year-end) meetings of the Committee.

Ref	Audit/Area	Risk Assessment / Assurance Need	Potential Scope
Audits Identified for Quarters 1 to 2			
RB1	Financial Resilience / Sustainability	High	To provide assurance over the Council's financial resilience and sustainability controls, including long-term planning, reserves strategy, deferring/scaling back projects / programmes etc.
RB2	Temporary Accommodation	High	To provide assurance on the effectiveness and robustness of the Council's arrangements to provide temporary accommodation including procurement and governance.
RB3	Housing Revenue Account	High	To provide assurance over the financial management of the HRA, including budgetary control and savings plans.
RB4	Debt Management	High	To provide assurance on the effectiveness and robustness of the Council's controls and processes around the collection of debt, including rents and service charges.

Ref	Audit/Area	Risk Assessment / Assurance Need	Potential Scope
RB5	IT Asset Management	High	To provide assurance over the key controls around new device rollout/programme.
RB6	Child to Adult Care Transition	High	To provide assurance on the effectiveness and robustness of the Council's arrangements for child to adult care transition.
RB7	Health Inequalities	High	To provide assurance on the effectiveness of the Council's strategy and programme to address health inequalities.
RB8	S106/CIL	High	To provide assurance that the processes and controls around S106/CIL are operating robustly and effectively. Strategic – collection and spend and/or Neighbourhood CIL – possible advisory piece as a separate review following current round closure 31/3 looking at grants and reviewing new process.
Potential Audit Areas for Quarters 3 to 4			
RB9	Budget Pressures	High	To perform a deep-dive review into an area of budgetary/ financial pressure to determine whether this is being managed effectively.
RB10	Housing Voids	High	To provide assurance on the effectiveness and robustness of the Council's arrangements for Housing Voids.
RB11	Performance Management (Cross-cutting)	High	To provide assurance over the Council's Performance Management framework, including data quality/integrity over a sample of KPIs.
RB12	Income Management/ Strategy	High	To provide assurance over the Council's Income Management Strategy and Action Plan, across the six key areas of billing, payment, allocation, reporting, recovery and governance.
RB13	Commissioning and Placements (Childrens)	High	To provide assurance on the effectiveness of key controls surrounding commissioning and placements, including payments to providers.
RB14	Support for Carers (Adults)	Medium	To provide assurance around the arrangements for carer support including assessment, payments and monitoring.

Ref	Audit/Area	Risk Assessment / Assurance Need	Potential Scope
RB15	Looked After Children and Permanency	Medium	To provide assurance around the controls and processes in place around Looked After Children, including the Fostering Team, and Leaving Care Teams and budgets for client subsistence.
RB16	Direct Payments (Childrens)	Medium	To provide assurance on key controls surrounding direct payments.
RB17	Contractors/Temporary Workers	Medium	To provide assurance around the controls and processes in place to monitor contractors/temporary workers, including spend controls and plans to permanently fill the posts.
RB18	Communities and Regeneration - Contract Management	Medium	To provide assurance that the processes and controls around contract management within Communities and Regeneration are operating robustly and effectively.
RB19	Recruitment and Retention	Medium	To provide assurance over the Council's recruitment and retention processes to ensure that the Council has the necessary knowledge, skills and experience to fulfil its responsibilities and achieve its objectives.
RB20	Contract Management – Social Value and Contract Variations	Medium	To provide assurance that the processes and controls around contract management - social value/variations are operating robustly and effectively.
RB21	Equal Pay	Medium	To provide assurance around the controls and processes in place to ensure the right to equal pay.
RB22	Care Homes (residential care and nursing care) (Adults)	Medium	To provide assurance around residential and nursing care providers including payments for services and mitigations in place to respond to supplier failure.
RB23	Home Care	Medium	To provide assurance over the key controls to monitor the quality and consistency of services provided.
RB24	Project Management	Medium	A cross-cutting review to provide assurance over the Council's Project Management framework within Communities and Regeneration and Property and Assets.

Ref	Audit/Area	Risk Assessment / Assurance Need	Potential Scope
RB25	Environmental Reporting	Medium	To provide assurance around the controls and processes in place for environmental reporting including effective follow up and enforcement and management of third parties.
RB26	Corporate Landlord Function	Medium	To provide assurance over the Council's Corporate Landlord responsibilities, including building/health and safety compliance.
RB27	Redefining Local Services (RLS) – Contract Management	Medium	To provide assurance over the contract management arrangements in place surrounding the RLS contracts (including Waste and Recycling, Street Cleansing, Grounds Maintenance, Highways Services and Parking Services).
RB28	Climate Change Programme	Medium	To provide assurance this area of strategic risk.

C. Consultancy and Advisory Work

This work is often reactive to requests from senior management, and therefore we have retained a portion of time these. Below lists the consultancy and advisory engagements that have been requested in advance. We will indicate any further consultancy/advisory work carried out in-year within progress updates to CMT and the Audit and Standards Advisory Committee.

Ref	Audit/Area	Rationale / Indicative Scope	Planned Quarter
AW1	Social Housing (Regulation) Act – inspection preparedness	To undertake a 'dummy inspection' / preparedness review prior in anticipation of any inspection by the regulator.	Q2-3

D. Follow-up Activity

We will continue with our established follow-up process, tracking actions through to confirmed implementation, to provide confirmation that improvements in the Council’s governance, risk management and control have been embedded. The table below lists the key follow-ups planned for 2024-2025 (based on audits completed in 2023-2024).

Follow-up Audit/Area	Planned Quarter
Pension Fund	Q1
TMO - Watling Gardens	Q1
Housing Compliance Fire Risk Assessments	Q2
Adult Social Care Supported Living	Q2
TMO - Kilburn	Q2
IT Disaster Recovery	Q2
Cyber Security (3rd party risk)	tbc
Housing Benefits/ NEC Revs and Benefits	tbc
Accounts Receivable (KFS)	tbc

Follow-up Audit/Area	Planned Quarter
Accounts Payable (KFS)	tbc
DSG High Needs Block and School Balances	tbc
Planning Enforcement	tbc
Direct Payments (adults)	tbc
Procurement	tbc
True Compliance (Housing IT application)	tbc
Discretionary Housing Payments	tbc
Public Health Contract Management	tbc
Parking Services	tbc

E. Core Assurance Three-Year Plan

The table below lists the Council's core/key systems and processes that *will be subject to an internal audit review* across a three-year period.

System/Process	Date of Last Audit Coverage	Three-Year Plan		
		2024-25	2025-26	2026-27
Key Financial Systems – <i>The following audits will primarily consist of substantive testing over the design and operation of key financial controls.</i>				
<input type="checkbox"/> Accounts Payable	2023/24	<i>Follow-up Work</i>		✓
<input type="checkbox"/> Accounts Receivable	2023/24	<i>Follow-up Work</i>		✓
<input type="checkbox"/> General Ledger	2019/20	✓	<i>Follow-up Work</i>	
<input type="checkbox"/> Budgetary Control	2018/19	✓	<i>Follow-up Work</i>	
<input type="checkbox"/> Fixed Assets	2022/23		✓	<i>Follow-up Work</i>
<input type="checkbox"/> Payroll	2022/23			✓
<input type="checkbox"/> Pensions	2023/24	<i>Follow-up Work</i>		✓
<input type="checkbox"/> VAT	2019/20	✓	<i>Follow-up Work</i>	
<input type="checkbox"/> Treasury Management	2020/21	✓	<i>Follow-up Work</i>	
<input type="checkbox"/> Capital Expenditure	2022/23		✓	<i>Follow-up Work</i>
<input type="checkbox"/> Insurance	2019/20	✓	<i>Follow-up Work</i>	
<input type="checkbox"/> Income and Debt Management	2022/23		✓	<i>Follow-up Work</i>
<input type="checkbox"/> Council Tax & Business Rates	2022/23		✓	<i>Follow-up Work</i>
<input type="checkbox"/> Housing Benefits (Northgate)	2023/24	<i>Follow-up Work</i>		✓

Core Systems/Processes – The below section provides broad headings for key areas of inherent risk. The scope of specific audit work undertaken against each areas will be tailored accordingly based on an assessment of risks.

<input type="checkbox"/> Cyber Security	2023-24	Annual Assurance due to level of inherent risk.		
<input type="checkbox"/> IT Network and Applications	2023-24	Annual Assurance due to level of inherent risk.		
<input type="checkbox"/> Housing Compliance	2023-24	Annual Assurance due to level of inherent risk.		
<input type="checkbox"/> Information Governance	2023-24	Follow-up Work		✓
<input type="checkbox"/> Procurement and Commissioning	2023-24	Follow-up Work	✓	Follow-up Work
<input type="checkbox"/> Health and Safety	2020-21	✓	Follow-up Work	
<input type="checkbox"/> Emergency Planning/ Business Continuity	2023-24	Follow-up Work		✓
<input type="checkbox"/> Recruitment (Vetting, Starters, Leavers)	2021-22	✓	Follow-up Work	
<input type="checkbox"/> Adults Safeguarding	2021-22	✓	Follow-up Work	
<input type="checkbox"/> Childrens Safeguarding	2022-23		✓	Follow-up Work
<input type="checkbox"/> School Reviews	Annual	5-8 schools to be audited annually – to be determined via joint risk assessment at the beginning of each year.		

F. Strategic and Inherent Risk Assurance Map

The below table presents a mini assurance map to demonstrate Internal Audit coverage across the Council's strategic risks, including planned/anticipated coverage over the next three-year period. The alignment of the audit plan and the work of Internal Audit to the Council's strategic risks represents good practice and helps to demonstrate how Internal Audit adds value.

Strategic Risk	Details of Previous Audit Coverage		Three-Year Plan (Anticipated)		
	2022-23	2023-24	2024-25	2025-26	2026-27
<input type="checkbox"/> Cost of Living Crisis	✓ Ad-hoc Risk/Control support (energy support grants)	✓ Discretionary Housing Payments	✓ Follow-up activity relating to work performed in 23-24	TBD – subject to outcomes of rolling risk assessment.	
<input type="checkbox"/> Increase in Dedicated Schools Grant High Needs Block (HNB) Deficit	No direct assurance work	✓ DSG High Needs Block	✓ Follow-up activity relating to work performed in 23-24	TBD – subject to outcomes of rolling risk assessment.	
<input type="checkbox"/> Lack of supply of affordable accommodation	✓ Introductory Tenancies Housing Successions GLA Affordable Housing Programme	No direct assurance work.	✓ Temporary Accommodation (planned)	✓ Follow-up activity relating to work performed in 24-25	TBD – subject to outcomes of rolling risk assessment.
<input type="checkbox"/> Increase in the use of emergency Temporary Accommodation	n/a – new risk introduced in 2023.	No direct assurance work.	✓ Temporary Accommodation (planned)	✓ Follow-up activity relating to work performed in 24-25	TBD – subject to outcomes of rolling risk assessment.
<input type="checkbox"/> Cyber Attacks	✓ Cyber Remote Working Cyber Website Review	✓ Cyber Maturity Assessment Cyber 3 rd Party IT Application (NEC)	✓ STS Procurement STS Project Management 2023-24 Follow-up work	✓ Annual assurance work due to associated risks.	✓ Annual assurance work due to associated risks.
<input type="checkbox"/> Climate Emergency (Adapting to climate risks)	n/a – new risk introduced in 2023.	✓ Risk Advice/support provided	Review has been included under section 2 of the plan – subject to rolling risk assessment.	TBD – subject to outcomes of rolling risk assessment.	

<input type="checkbox"/> Climate Emergency (Reaching carbon neutrality)					
<input type="checkbox"/> Serious child protection incident or wider safeguarding concern	✓ Demand for Services Family well-being centres	✓ No resource to public funds	✓ Follow-up activity relating to work performed in 23-24	✓ Children Safeguarding review as per core assurance plan.	<i>TBD – subject to outcomes of rolling risk assessment.</i>
<input type="checkbox"/> Recruitment and Retention	No direct assurance work	No direct assurance work	✓ Recruitment Vetting review included under core assurance plan.	✓ Follow-up activity relating to work	<i>TBD – subject to outcomes of rolling risk assessment.</i>
<input type="checkbox"/> Safeguarding Incident - Adults	✓ Better Care Fund Adult Social Care Commissioning	✓ Direct Payments	✓ Adults Safeguarding review included under core assurance plan.	✓ Follow-up activity relating to work performed in 23-24	<i>TBD – subject to outcomes of rolling risk assessment.</i>
<input type="checkbox"/> Non-Compliance with Statutory Housing Duties	✓ Housing Compliance 1x TMO reviews	✓ Housing Compliance (Fire Risk) 1x TMO reviews HMO Licensing	✓ Annual assurance work due to associated risks.	✓ Annual assurance work due to associated risks.	✓ Annual assurance work due to associated risks.
<input type="checkbox"/> Financial Resilience and Sustainability	✓ Annual KFS Work Financial Strategy/Savings Capital Programme FM Code	✓ Annual KFS Work Financial Strategy / Capital Programme follow-up	✓ Annual KFS Work Financial Resilience / Sustainability planned for Q1	✓ Annual KFS Work Annual assurance work due to associated risks.	✓ Annual KFS Work Annual assurance work due to associated risks.
<input type="checkbox"/> Contract Management	✓ Contract Management	✓ Contract Management follow-up Procurement	✓ Review has been included under section 2 of the plan – subject to rolling risk assessment.	<i>TBD – subject to outcomes of rolling risk assessment.</i>	<i>TBD – subject to outcomes of rolling risk assessment.</i>

G. Assurance Ratings

The following assurance ratings and opinions will be applied across all *assurance* reviews carried out in 2024-25 (assurance ratings/opinions are not provided for consultancy and advisory work). These opinions will be based on the number of critical, high and medium priority risks identified in the report.

Rating	Description
Substantial Assurance	There is a sound control environment with risks to key service objectives being satisfactorily managed. Recommendations will normally only be Advice and Best Practice
Moderate Assurance	An adequate control framework is in place but there are weaknesses which may put some service objectives at risk. There are Medium priority recommendations indicating weaknesses but these do not undermine the system's overall integrity. Any Critical recommendation will prevent this assessment, and any High recommendations would need to be mitigated by significant strengths elsewhere.
Limited Assurance	There are a number of significant control weaknesses which could put the achievement of key service objectives at risk and result in error, fraud, loss or reputational damage. There are High recommendations indicating significant failings. Any High recommendations would need to be mitigated by significant strengths elsewhere.
No Assurance	There are fundamental weaknesses in the control environment which jeopardise the achievement of key service objectives and could lead to significant risk of error, fraud, loss or reputational damage being suffered.