

Appendix 1 – Internal Audit Activity Progress Update

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 (per schedule agreed in March 2024).

Core System / Process	Status	Progress / Update – as of 31 st August 2024
Key Financial Systems		
◆ General Ledger	Review in Progress	Key control testing. Terms of Reference agreed, with fieldwork commencing in Q3. Audit to provide assurance on the effectiveness and robustness of the Council’s key systems, processes and controls operating over the Council’s GL system, with a focus on policies and procedures, system access, interfaces, journals, and reconciliations.
◆ Budgetary Control	Review not proceeding as Planned	Due to cross-over and duplication, evaluation of key budgetary controls will be performed across other reviews, including the General Ledger. A dedicated Budgetary Control audit will be undertaken in 2025-26.
◆ VAT	Review in Progress	Key control testing. Scoping underway, with fieldwork due to commence in Q4.
◆ Treasury Management	Review in Progress	Key control testing. Terms of Reference agreed, with fieldwork in progress.
◆ Insurance	Review in Progress	Key control testing. Terms of Reference agreed, with fieldwork in progress.
Cyber Security / IT Network and Infrastructure		
◆ Shared Technology Service - Procurement	Review in Progress	Review to evaluate key purchasing and procurement controls in place within STS, including arrangements for supplier selection. Terms of Reference agreed, with fieldwork in progress.
◆ Shared Technology Service - Project Management	Review in Progress	Review to evaluate management and delivery of key STS ICT projects. Terms of Reference agreed, with fieldwork to commence in Q4.
◆ IT Application Review - Mosaic	Review in Progress	Scoping discussions underway with fieldwork due to commence in Q4.

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Core System / Process	Status	Progress / Update – as of 31 st August 2024
Core Systems and Processes		
◆ Housing Compliance	Review Completed	A review of the “True Compliance” - the application used to monitor and record the Council’s Housing compliance obligations -was undertaken. <i>Outcomes were reported in September</i>
◆ Recruitment (Vetting and Starters)	Review in Progress	Review to provide assurance over the effectiveness and efficiency of key recruitment and vetting controls. Terms of Reference agreed, with fieldwork to commence in Q4.
◆ Adults Safeguarding	Review not proceeding as Planned	A CQC inspection was undertaken in Summer 2024, with the outcome providing a positive rating relating to Safeguarding. This review will therefore no longer proceed as assurance has already been provided in this area.
◆ Health and Safety	Review in Progress	Review to provide assurance over key H&S controls. Scoping underway with management. Fieldwork anticipated to commence in Q4.
◆ School Reviews	Review in Progress	Two Schools have been identified and confirmed for Q3. A school control self-assessment has also been prepared by the team and will be circulated to a cohort of schools in Q3, with outcomes analysed and reported at the end of the year.
◆ Supporting Families	Review in Progress	Independent certification and verification of the supporting families grant. Claims are certified at regular intervals throughout the year.

B. Agile Risk-based Plan

This section of the plan was designed to be flexible to enable Internal Audit to be responsive to emerging risks and priorities. A list of potential audit areas – determined via several methods including a risk assessment, assurance mapping, and consultation with senior management – was

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presented to the Audit and Standards Advisory Committee in March 2024. However, this was not a rigid plan, and it was agreed that the Head of Internal Audit would review, update and re-prioritise this list as appropriate in-year. The below table therefore provides an in-year update in respect of activity in Quarters 1 and 2; as well as the current risk assessment that will be used to guide and determine audit work for Quarters 3 and 4.

Audit Activity – up to end October 2024

Audit/Area	Assessed Risk / Assurance Need	Rationale / Indicative Scope	Status	Comments and Update
◆ First Wave Housing i4B Billing Arrangements	High	To provide assurance on the design and effectiveness of the controls in place over the billing arrangements at i4B Holdings Ltd (i4B) and First Wave Housing Ltd (FWH), collectively referred to in this report as “the companies”, for void repair works, legal disrepair cases and council tax payments.	Review Completed	Conclusion of audit carried forward from 2023-24. Outcomes were reported in September
◆ IT Application Review - NEC Revenues and Benefits	High	<i>Audit brought forward from 23-24.</i> To provide assurance on the effectiveness and robustness of the Council’s systems and processes relating to the NEC Revenues and Benefits application.	Review Completed	Conclusion of audit carried forward from 2023-24. Outcomes were reported in September
◆ Brent Music Service	Medium	<i>Management request.</i> To provide assurance on the effectiveness and robustness of the Council’s arrangements for the management and monitoring of BMS.	Review Completed	Additional review requested by Management. Outcomes were reported in September
◆ Brent River College - Annual Certificate of Expenditure	<i>n/a – grant certification</i>	Annual sign off Certificate of Expenditure	Review Completed	Certification completed.
◆ Barham Park Accounts	<i>n/a – grant certification</i>	Annual sign off of Barham Park Accounts	Review Completed	Certification completed.
◆ Procurement	High	<i>Audit brought forward from 23-24.</i> To provide assurance on the effectiveness and robustness of the control framework that supports the delivery of effective	Draft Report Issued	Draft Report issued to Management – awaiting responses.

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Audit/Area	Assessed Risk / Assurance Need	Rationale / Indicative Scope	Status	Comments and Update
		and economic procurement that aligns with the Council's key objectives.		Final Report anticipated to be issued by November 2024.
♦ Public Health Contract Management	High	<i>Audit brought forward from 23-24.</i> To provide assurance on the management of the Tri-Borough inter-authority agreement of the commissioned integrated SRH service that London North-West University Healthcare NHS Trust provide.	Review Completed	Final Report issued to Management. ADEQUATE ASSURANCE <i>See Appendix 2</i>
♦ Direct Payments (Adults)	High	To provide assurance on the effectiveness and robustness of the control framework and Council's arrangements for the administration and payment of direct payments using PFS pre-paid cards.	Review Completed	Final Report issued to Management. See Appendix 2
♦ Temporary Accommodation	High	To provide assurance on the effectiveness and robustness of the Council's arrangements to provide temporary accommodation including procurement and governance.	Review Completed	Final Report issued to Management. See Appendix 2
♦ S106/CIL	High	To provide assurance that the processes and controls around S106/CIL are operating robustly and effectively.	Review Completed	Final Report issued to Management. MODERATE ASSURANCE <i>See Appendix 2</i>
♦ 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.	Review in Progress	Draft Terms of Reference prepared. A workshop with Finance colleagues to take place in Q4.
♦ Section 20/20B – Major Works and Improvement Re-charges	High	<i>Management Request.</i> To provide assurance on the operating effectiveness of key controls in place around the Section 20/B major works and improvement charges to ensure that actions taken are appropriate and decisions are made in line with delegated officer responsibilities and guidance.	Review in Progress	Fieldwork is underway, with completion anticipated by end November.

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Audit/Area	Assessed Risk / Assurance Need	Rationale / Indicative Scope	Status	Comments and Update
♦ Discretionary Housing Payments	High	To provide assurance on the effectiveness and robustness of the Council's arrangements for the governance and issue of DHPs.	Draft Report Issued	Draft Report issued to Management – awaiting responses. Final Report anticipated to be issued by November.
♦ Parking Services	High	To provide assurance on the effectiveness and robustness of the control framework or arrangements for Event Day (ED) parking permits.	Review in Progress	Fieldwork is underway, with completion anticipated by end Q3.
♦ Social Housing (Regulation) Act – inspection preparedness	High	<i>Management Request</i> To determine the extent to which the Council is prepared to meet the new regulatory requirements of the Social Housing Act, with a focus on reviewing the adequacy and effectiveness of key processes involved in identifying and managing ASB cases.	Review in Progress	Fieldwork is underway, with completion anticipated by end Q3.
♦ Direct Payments (Childrens)	High	To provide assurance on the effectiveness and robustness of the control framework of the Council's arrangements in delivering financial support to disabled/vulnerable children.	Review in Progress	Fieldwork is underway, with completion anticipated by end Q3.
♦ Performance Management (Cross-cutting)	High	To provide assurance over the Council's Performance Management framework, including data quality/integrity over a sample of KPIs.	Review in Progress	Fieldwork is underway, with completion anticipated by end Q3.
♦ Redefining Local Services (RLS) – Contract Management	High	To provide assurance over the contract management arrangements in place surrounding the RLS contracts for waste and Recycling.	Review in Progress	Scoping underway, with fieldwork due to commence in Q4.

B. Risk Assessment – to inform audit activity in Quarter 4

The table below lists the potential audit areas identified as part of the rolling internal audit risk assessment, with priority given to those areas with the highest assurance need.

This list is fluid and therefore subject to change/amendment as required by the Head of Internal Audit in respect of new, emerging and changing risks. The table does not purport to be rigid plan of audit activity that will be delivered, and instead has been included to provide assurance to the Audit and Standards Advisory Committee as to how the work of Internal Audit in Quarter 4 will be determined.

Audit/Area	Assessed Risk / Assurance Need	Rationale / Indicative Scope
◆ 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.
◆ Budget Pressures	High	To perform a deep-dive review into an area of budgetary/ financial pressure to determine whether this is being managed effectively. Proposed to focus on <i>Exempt Support Accommodation</i> , which has been identified as an emerging budget pressure.
◆ Child to Adult Transition	High	Timescales were adjusted at Management's request due to CQC inspection. Review to be carried out in Q4 to provide assurance on the effectiveness and robustness of the Council's arrangements for child to adult care transition.
◆ Income Management/ Strategy	Medium	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.
◆ Commissioning and Placements (Childrens)	Medium	To provide assurance on the effectiveness of key controls surrounding commissioning and placements, including payments to providers.
◆ Support for Carers (Adults)	Medium	To provide assurance around the arrangements for carer support including assessment, payments and monitoring.
◆ 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.

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◆ 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.
◆ 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.
◆ 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.
◆ Equal Pay	Medium	To provide assurance around the controls and processes in place to ensure the right to equal pay.
◆ 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.
◆ Home Care	Medium	To provide assurance over the key controls to monitor the quality and consistency of services provided.
◆ 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.
◆ Environmental Reporting	Medium	To provide assurance around the controls and processes for environmental reporting including effective follow up and enforcement and management of third parties.
◆ Corporate Landlord Function	Medium	To provide assurance over the Council's Corporate Landlord responsibilities, including building/health and safety compliance.
◆ Climate Change Programme	Medium	To provide assurance this area of strategic risk.
◆ IT Asset Management	Medium	To provide assurance over the key controls around new device rollout/programme.

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C. Consultancy and Advice

This work is often reactive to requests from senior management, and therefore we have retained a portion of time within our resourcing to meet these requests. Below lists the consultancy and advisory engagements that have been requested/undertaken up to end October 2024.

Audit/Area	Rationale / Indicative Scope	Status	Comments and Update
♦ Parks/Open Spaces - Invoicing	<i>Management Request.</i> To provide assurance that the invoicing and collection of income was being carried out appropriately and in line with the License to Occupy.	Review Completed	Consultancy and Advice memo provided to Management.
♦ Oracle Cloud	<i>Management Request.</i> To provide assurance over system issues with BACS payments files having to be manually loaded by the AP team.	Review Completed	Consultancy and Advice email provided to Management.
♦ Contractor Appointment	<i>Management Request.</i> Review and risk assessment arising from appointment of a contractor.	Review Completed	Consultancy and Advice note provided to Management.