

# **Audit Committee**

## **Internal Audit Plan 2024/25**

Date: 11 July 2024

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# 1 The Internal Audit Plan

## 1.1 Introduction

The [Public Sector Internal Audit Standards](#) specify that the Chief Audit Executive must create a risk-based Internal Audit Plan to support the achievement of the organisation's objectives.

Delivery of the Internal Audit Plan will ensure there is sufficient and appropriate coverage to provide a well-informed and comprehensive year-end annual Internal Audit Opinion, which can then be incorporated into the Annual Governance Statement.

The following report sets out the proposed 2024/25 Audit Plan.

The Audit Plan will be kept under regular review, in-line with available resources and to allow the opportunity to adapt the Audit Plan in response to new or emerging priorities or risks. Any changes to the Audit Plan will be agreed with Senior Management and Audit Committee

## 1.2 Approach to Internal Audit Planning 2024/25

The following activities have been completed to compile the 2024/25 Audit Plan:

Review of the Authority's key objectives and Corporate Plan	Review of the outcomes and actions from the Best Value Inspection Report and the Enhanced Improvement and Recovery Plan	Review of the Authority's Corporate and Directorate Risk Registers
Review of the Authority's 2022/23 Annual Governance Statement	External Benchmarking and Horizon Scanning to identify trends and emerging risks	Discussion with other key assurance providers
A review of audits deferred from 2023/24	Consideration of cyclical / core audit engagements due	Consideration of the internal and external factors which may impact the Council ( <b>APPENDIX A</b> )
Consideration of findings / outcomes from previous audit work and outstanding follow ups activity		Discussions with key stakeholders and inclusion of specific client requests

### 1.3 Audit Resources

Based on the current team resources, the total audit days available between 01 July 2024 and 31 March 2025 is **360 days**.

It is estimated that the audit days needed to deliver the proposed 2024/25 Audit Plan is **550 days**.

This resource gap will be addressed through a combination of the permanent recruitment of new colleagues to fill vacant posts and the use of temporary contractor resources.

There are currently no conflicts of interest within the Internal Audit team, which would represent an actual or perceived impairment to independence or objectivity.

### 1.4 Internal Audit Coverage

**APPENDIX B** sets out the proposed audit engagements to be completed between **01 July 2024** and **31 March 2025**.

The 2024/25 Audit Plan includes a total of **27** audit engagements which are a combination of both assurance and consultancy reviews.

The 2024/25 Audit Plan also includes **6** audit engagements deferred from 2023/24:

DIRECTORATE	AUDITS
Adults & Health	1
Childrens Services	3
Corporate Services	5
Finance	4
Place	4
Strategy, Engagement & Growth	1
Thematic Reviews	3
2023/24 Deferrals	6
<b>TOTAL</b>	<b>27</b>

### 1.5 Conformance with the Public Sector Internal Audit Standards

All audit work completed during 2024/25 will be completed in accordance with the [Public Sector Internal Audit Standards](#).

During 2024/25, the Internal Audit Team will also be working towards compliance with the new [Global Internal Audit Standards](#). This will include development of a Quality Assurance and Improvement Programme, a review of the Audit Manual and the preparation for an External Quality Assessment (EQA). A further update on this will be provided to Audit Committee later in the year.

### 1.6 Key Performance Indicators

The Key Performance Indicators (KPI's) for the Internal Audit service are currently being reviewed, in-line with the Council's Corporate Plan. A revised suite of KPI's will be reported to Audit Committee later in the year.

## Appendix A: Internal and External Factors Which May Impact the Council

The table below illustrates some of the internal and external factors which may impact the Council:

INTERNAL	EXTERNAL
Spending Controls	Government Intervention
Safeguarding	Best Value Inspection
Fraud	Financial Sustainability
Procurement of goods and services	Climate Change (Net Zero by 2050)
Medium Term Financial Planning	War in Ukraine (Assistance for refugees)
Major Projects/Contract Management	War in Gaza (Combating extremism)
Risk Management	Cost of Living (Impact on Homelessness)
Business Continuity & Disaster Recovery	Increasing Children's and Adult Social Care costs
Commercialisation (including income generation and investments)	Regeneration
Financial Resilience and Reporting	House building and financing schemes
Homelessness	Cyber Security
Change Programme (including digital and new operating model)	General Data Protection Regulation

## APPENDIX B: Internal Audit Plan 2024/25 (JULY 2024 – MARCH 2025)

AUDIT ENGAGEMENT	SCOPE	NATURE OF WORK
<b>Adults &amp; Health</b>		
Demand Management for Adult Social Care	To assess the adequacy and effectiveness of the controls in place to reduce the risk of unsustainable demand on budget for external placements.	Assurance
<b>Children's Services</b>		
Supported Families Programme	Checking a sample of claims to determine if evidence is sufficient to confirm that the claims being submitted are appropriate and correct.	Assurance
Demand Management for Children's Services	To assess the adequacy and effectiveness of the Council's demand management for Children's Services.	Assurance
Children's Social Care Safeguarding	To assess the adequacy and effectiveness of the controls in place to reduce the risk of failures in the regime of safeguarding and supporting children and young people in need of help or protection.	Assurance
<b>Corporate Services</b>		
IT and Digital Change Project	To assess the adequacy and effectiveness of the governance and control framework around the IT and Digital Change Project and the implementation of a robust Customer Relationship Management system.	Assurance
IT Needs Assessment	To review the systems, procedures and operations of the Council's IT services and associated risks. To classify the results into risk rated auditable areas.	Advisory
Capacity and Capability Management	To assess the adequacy and effectiveness of controls in place to reduce the risk that the Council experiences a loss of core skills or is unable to recruit adequately skilled personnel to deliver the Council's business objectives under the new operating model.	Assurance
Employment of Agency Staff - IR35 Compliance	To review the adequacy and effectiveness of controls in place to ensure compliance with IR35 when employing agency staff.	Assurance

<p>Housing Complaints</p>	<p>To assess the adequacy and effectiveness with which Council's Complaints and Housing Services Teams collection and processing of housing complaints into useful management information that provides transparent information about the condition of the Council's housing stock and the performance of its contractors.</p>	<p>Assurance</p>
<p><b>Finance</b></p>		
<p>Cash Management</p>	<p>To assess the adequacy and effectiveness of controls over the following:</p> <ul style="list-style-type: none"> <li>• Processes and procedures</li> <li>• Governance controls</li> <li>• Banking controls</li> <li>• Access controls</li> <li>• Interface controls</li> <li>• Business continuity</li> <li>• Management information and analytics</li> </ul>	<p>Assurance</p>
<p>Expenses</p>	<p>To assess the adequacy and effectiveness of controls over the following:</p> <ul style="list-style-type: none"> <li>• Policies, processes, and procedures</li> <li>• Master data (employee and expense categories)</li> <li>• Advances</li> <li>• Booking systems</li> <li>• Expense claims</li> <li>• Approval</li> <li>• Payment processing</li> <li>• Management information</li> </ul>	<p>Assurance</p>
<p>Forecasting and Financial Sustainability</p>	<p>To assess the adequacy and effectiveness of controls over the following:</p> <ul style="list-style-type: none"> <li>• Preparing forecasts</li> <li>• Adjusting forecasts</li> <li>• Risks</li> <li>• Management information</li> </ul>	<p>Assurance</p>
<p>Contract Management</p>	<p>To assess the adequacy and effectiveness of the Council's contract management framework in supporting the successful delivery of procured services, works, or supplies.</p>	<p>Assurance</p>

<b>Place</b>		
Damp and Mould	To assess the adequacy and effectiveness of Housing Services' measures to ensure that residents occupying Council provided / funded housing are adequately aware of and protected from health risks associated with damp and / or mouldy properties.	Assurance
Homelessness and Temporary Accommodation	To assess the adequacy and effectiveness of the Council's controls to manage homelessness across the borough through the provision of cost-effective temporary accommodation.	Assurance
Housing Stock - Fire Safety	To assess the adequacy and effectiveness of the controls in place to reduce the risk that properties within the Council's social housing portfolio breach fire safety regulations or requirements identified by the Government's independent enquiry.	Assurance
Pothole Management	To assess the adequacy and effectiveness of the Council's controls to repairing potholes, encompassing the Council's system of inspection, maintenance and repair, budget pressures, managing changes to the system, insurance policy risks, and reputational issues.	Assurance
<b>Strategy, Engagement and Growth (Office of the Assistant Chief Executive)</b>		
Change Programme	To assess the adequacy and effectiveness of the governance, control framework and risk management around the implementation of the Council's change programme and the development of new ways of working.	Advisory
<b>Thematic Reviews</b>		
Business Continuity Planning	To assess the adequacy and effectiveness of the governance, risk management and control processes over business continuity planning and the assurance that the Council can recover from a partial or total loss of business services in a timely and controlled manner.	Assurance
Savings – Assumptions and Plans	To assess that the assumptions and plans for savings in 2024/25 were realistic, appropriately risk-based (including agreed changes in the Council's risk appetite), and deliverable in a trackable manner.	Assurance
Central Government Grant Claim Certification	To review income and expenditure relating to grants and ensure it has been used in accordance with the grant conditions.	Compliance



2023/24 Deferrals	
Waste – Compliance with ISO requirements	Major Projects – Managing the Design Phase
Budget Setting and Management	Readiness for CQC Inspection (Children's Services)
Data Protection	Payroll

Other Work	
Follow ups	To provide assurance on action taken to address HIGH and MEDIUM recommendations previously agreed by management.
Expenditure Control Panel	One Internal Auditor is a member of the Expenditure Control Panel set up as part of the response to the issuing of the Section 114 notice. This panel meets regularly to approve all expenditure between £500 and £25,000.
Audit Management	<p>This will include:</p> <ul style="list-style-type: none"> <li>• Ongoing audit planning.</li> <li>• Preparation of key reports and attendance at the Audit Committee.</li> <li>• Regular stakeholder relationship management meetings.</li> <li>• Liaison with External Audit and other assurance providers.</li> <li>• Attendance at regional and local audit groups.</li> <li>• Assistance in preparation of the AGS.</li> <li>• Ad hoc consultancy support to senior management as needed</li> </ul>
Internal Audit Service Improvement Programme	<p>This will include:</p> <ul style="list-style-type: none"> <li>• Review and update of the Audit Manual</li> <li>• Development of a Quality Assurance and Improvement Programme</li> <li>• Development of an Internal Audit, Risk and Insurance Service Plan</li> <li>• Development of an Internal Audit Strategy</li> <li>• Preparation for the new Global Internal Audit Standards + External Quality Assessment</li> <li>• Review and re-procurement of the Internal Audit Management software</li> </ul>
Contingency	To allow additional reviews to be undertaken in agreement with the Audit Committee or management based in changes in risk profile or assurance needs as they arise during the year. Ad hoc project work for services in an advisory capacity.