

Appendix 1: delivery of the 2022/23 audit plan

1. Synopsis

- 1.1. This Appendix summarises the 2022/23 audit plan that was agreed by the Audit Committee on 22 March 2022. It shows the indicative scope as well as the completion status of each individual project. It is included to provide Audit Committee with assurance that the audit plan, which is the key vehicle for providing the council with independent assurance, has been effectively delivered.

2. Detailed 2022/23 audit plan update

(* denotes an area of principal risk)

2.1. Summary of assurance ratings for completed reviews

Ref	Audit title	Status	Assurance rating
Assurance rating for planned audit reviews			
CWB22-1	Financial resilience of residents – test and trace support payments *	Completed.	Moderate assurance
Extended follow up outcomes (see rating key in Appendix 3)			
FWU22-2	Supplier bank amendments (extended follow up) *	Completed. Detailed outcomes are set out in section 2.6 below.	A good rate of implementation was noted
FWU22-3	Use of contingent staff (extended follow up) *	Completed. Detailed outcomes are set out in section 2.3 below.	A good rate of implementation was noted

Reviews completed where an assurance opinion was not provided (a management letter or grant compliance opinion was issued)			
CC22-6-1	Review of grant claim - Arts Council Culture Recovery Fund	Complete. A grant compliance opinion was provided by Internal Audit.	Compliance opinion issued
CC22-6-2	Review of grant claim - Test and Trace Support Grant	Complete. A grant compliance opinion was provided by Internal Audit.	Compliance opinion issued
CC22-6-2	Review of grant claim - Contain Outbreak Management Fund	Complete. A grant compliance opinion was provided by Internal Audit.	Compliance opinion issued
CC22-6-2	Review of grant claim - Better Mental Health	Complete. A grant compliance opinion was provided by Internal Audit.	Compliance opinion issued

Assurance ratings for audits from 2021/22 where outcomes were not reported to committee by September 2022

PS21-2-1	Schools establishment review – St John's Highbury Vale Primary School	Completed. High priority findings were raised in five audit areas, details of which can be seen at Appendix 2.	No assurance
PS21-2-4	Schools establishment review – Duncombe Primary School	Completed. High priority findings were raised in six audit areas, details of which can be seen at Appendix 2.	No assurance
HOU21-2-3	Tenant Management Organisation (TMO) establishment review - Spa Green	Completed. Six high priority findings were raised, details of which can be seen at Appendix 2.	No assurance
HOU21-2-4	Tenant Management Organisation (TMO) establishment review - Holbrook	Completed.	Moderate assurance
HOU21-2-5	Tenant Management Organisation (TMO) establishment review - Miranda	Completed. Four high priority findings were raised, details of which can be seen at Appendix 2.	Limited assurance
PH21-1	Health and social care integration * - purchase and funding of services	Completed.	Moderate assurance

2.2. Corporate/cross-cutting

Ref	Audit title	Indicative scope	Planned days	Status
CC22-1	Risk management – assurance mapping	Internal Audit input into assurance mapping for principal risks.	20	This took place in Q3 to inform the 2023-24 audit planning process.
CC22-2	Serious fraudulent activity *	Internal Audit input into reactive investigations to be undertaken in-year.	20	Members of the Internal Audit team provide ongoing input into reactive investigations throughout the year to support the Corporate Investigations team.
CC22-3	Audit plan production	Preparation of the council's annual audit plan.	10	Audit planning took place is underway, based on the assurance mapping exercise (see CC22-1 above).
CC22-4	Controls Board	Internal Audit input into Controls Board workplan and support for directorate representatives.	30	The Internal Audit team coordinates Controls Board and provides support for directorate representatives around follow up activity.
CC22-5	Good Governance Group	Internal audit input into Good Governance Group activity.	20	The Internal Audit team coordinates Good Governance Group activity.
CC22-6-1	Review of grant claim - Arts Council Culture Recovery Fund	Review of grant claims for government funding which require Internal Audit review and approval. Based on actual requests in prior years, an assumption has been made that four such reviews will be required in year.	7	Complete. A grant compliance opinion was provided by Internal Audit.
CC22-6-2	Review of grant claim - Test and	Review of grant claims for government funding which require Internal Audit review and approval. Based on actual requests in prior years, an assumption has been made that four such reviews will be required in year.	7	Complete. A grant compliance opinion was provided by Internal Audit.

	Trace Support Grant			
CC22-6-3	Review of grant claim - Contain Outbreak Management Fund		7	Complete. A grant compliance opinion was provided by Internal Audit.
CC22-6-4	Review of grant claim - Better Mental Health		7	Complete. A grant compliance opinion was provided by Internal Audit.
CC22-7	Insurance settlements	A review of processing of insurance settlements.	16	Fieldwork is underway. A report will be issued in Q4 of 2022/23.
FWU22-4	Cross-cutting follow up activity	<p>Follow up activity relating to the following audits:</p> <ul style="list-style-type: none"> • Capital programmes • Cyber security • Gifts, hospitality and declarations of interest • PMO • Technology debt management 	9	<p>Outcomes of follow up activity are detailed in Appendix 3. All recommendations have been implemented for the following audit:</p> <ul style="list-style-type: none"> • Gifts, hospitality and declarations of interest <p>Further follow up work is planned in Q4 2022/23 relating to all other audits.</p>

2.3. Resources

Ref	Audit title	Indicative scope	Planned days	Status
R22-1-1	Review of key financial system -		11	A draft report has been shared with management, and a management

	bank and system reconciliations	Review of key financial systems in line with a three year rolling plan.		response is awaited. A completion date of February 2023 is anticipated.
R22-1-2	Review of key financial system - capital accounting (asset management)		11	Fieldwork is underway. A report will be issued in Q4 of 2022/23.
R22-1-3	Review of key financial system - accounts receivable		11	Fieldwork is underway. A report will be issued in Q4 of 2022/23.
R22-1-4	Review of key financial system - pensions		11	Fieldwork is underway. A report will be issued in Q4 of 2022/23.
R22-2	Key IT application review – Northgate (housing repairs) *	A review of a key IT application in use within the council.	16	The audit is currently being scoped. Fieldwork and reporting will take place in Q4 2022/23.
R22-3	Use of sundry suppliers *	Sundry supplier codes are used within the finance system for suppliers who will not be regular suppliers. Use of these codes allows suppliers to be paid without going through independent verification processes to confirm identity or bank details. In light of issues raised in the course of a 21/22 audit of supplier bank amendments (AD21-2), an in-depth review of use of sundry supplier codes has been added to the plan. This audit will rely on data analytics to	16	This audit will not proceed due to a revised risk assessment. As a result of the supplier bank amendments audit which took place as part of the 2021/22 audit plan, the service carried out its own data analytics exercise to understand patterns of use and identify anomalies and weaknesses. As a result, this audit would have replicated work already carried out. The work undertaken by the service has been reviewed by Internal Audit as part of the follow up

		understand patterns of use and identify anomalies and weaknesses.		activity relating to the supplier bank amendments audit.
R22-4	Access to council emails *	This audit will review and assess mechanisms to prevent and identify unauthorised access to council emails. The review will focus on communications with suppliers.	16	This audit will not proceed due to a revised risk assessment. This reflects that an in-depth consultancy piece has been commissioned by Islington Digital Services to look at this area, which will cover a wider scope than was anticipated during the planned audit.
FWU22-3	Use of contingent staff (extended follow up) *	Extended follow up of Use of contingent staff (FR20-5). The audit will include full retesting of controls within the new supplier system.	16	<p>An extended follow up audit was completed. We looked at the rate of implementation of 28 recommendations, relating to eight high and four medium priority findings, which had passed their target implementation dates. We found that:</p> <ul style="list-style-type: none"> • 23/28 (82%) recommendations have been implemented; and • 5/28 (18%) recommendations have been partially implemented. <p>The partially implemented recommendations related to:</p> <ul style="list-style-type: none"> • Incorporation of extension approvals into system workflows; • Exception reporting around unpaid breaks;

				<ul style="list-style-type: none"> • Incorporation of approvals of amendments to pay into system workflows; • Finalisation and publication of the revised overtime policy; and • Monitoring of hourly pay caps. <p>Revised target implementation dates between 31 December 2022 and 28 February 2023 have been agreed for the outstanding recommendations.</p>
FWU22-12	Resources follow up activity	<p>Follow up activity relating to the following audits:</p> <ul style="list-style-type: none"> • Access controls and rights • Capital expenditure • Continuous audit monitoring (CAM) • Key financial systems (KFS) – accounts payable • Key financial systems (KFS) – income • Key financial systems (KFS) – treasury • Key financial systems (KFS) – payroll • Key financial systems (KFS) – pensions 	40	<p>Outcomes of follow up activity are detailed in Appendix 3. All recommendations have been implemented for the following audits:</p> <ul style="list-style-type: none"> • Continuous audit monitoring (CAM) • Information governance (records management) • Right to work vetting arrangements <p>Further follow up work is planned in Q4 2022/23 relating to the other audits.</p>

		<ul style="list-style-type: none"> • Information governance (records management) • Payroll • Right to work vetting arrangements 		
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2.4. Adult Social Care

Ref	Audit title	Indicative scope	Planned days	Status
FWU22-5	Adult Social Care follow up activity	<p>Follow up activity relating to the following audits:</p> <ul style="list-style-type: none"> • Domestic violence • Mental health safeguarding processes • Safeguarding adults 	7	<p>Outcomes of follow up activity are detailed in Appendix 3. All recommendations have been implemented for the following audit:</p> <ul style="list-style-type: none"> • Safeguarding adults <p>Further follow up work is planned in Q4 2022/23 relating to the other audits.</p>

2.5. Children's Services

Ref	Audit title	Indicative scope	Planned days	Status
CS22-1	Safeguarding children - vetting of staff *	This review will assess the design and operation of controls in place around safeguarding of children, focusing on vetting of staff.	16	This audit will not proceed due to a revised risk assessment. Human Resources carried out its own data analytics exercise to understand vetting of staff in this area and to identify anomalies and weaknesses. As a result, this audit would have replicated work already carried out. The work

					undertaken by the service has been reviewed by Internal Audit and covers the areas which would have been covered by this audit.
CS22-2-1	Schools establishment review – Duncombe Primary School	Risk based review of school or children's centre. The programme assesses the effectiveness of governance mechanisms and financial practices.	13	This audit was delivered as part of the 2021/22 audit plan, and reported to Audit Committee in September 2022. However, the detailed audit outcome was not reported, as management responses had not been received. A no assurance rating was subsequently agreed, and high priority findings in six audit areas are presented in Appendix 2.	
CS22-2-2	Schools establishment review - Poole's Park Primary School		13	Completed. High priority findings were raised in six audit areas, details of which can be seen at Appendix 2.	
CS22-2-3	Schools establishment review - Samuel Rhodes Primary School		13	This audit has been removed from the 2022/23 plan, as it was delivered early and outcomes were reported to Audit Committee in September 2022 as part of the 2021/22 plan.	
CS22-2-4	Schools establishment review – Pakeman Primary School		13	Fieldwork has been completed. A report will be issued in January 2023.	

CS22-2-5	Children's Centre establishment review – Margaret McMillan Nursery and Children's Centre		13	A draft report has been shared with management, and a management response is awaited. A completion date of February 2023 is anticipated.
FWU22-6	Children's Services follow up activity	<p>Follow up activity relating to the following audits:</p> <ul style="list-style-type: none"> • Business transformation • Conewood Children's Centre • High needs/SEN children's placements • Placement commissioning 16-17 year olds • SEN transport • Troubled Families 21/22 	15	<p>Outcomes of follow up activity are detailed in Appendix 3. All recommendations have been implemented for the following audits:</p> <ul style="list-style-type: none"> • Placement commissioning 16-17 year olds • Troubled Families 21/22 <p>Further follow up work is planned in Q4 2022/23 relating to the other audits.</p>

2.6. Community Wealth Building

Ref	Audit title	Indicative scope	Planned days	Status
CWB22-1	Financial resilience of residents – test and trace support payments *	This review has been carried forward from the 21/22 audit plan. A risk based review to provide assurance against this area of principal risk. The audit will look at the effectiveness of mechanisms in place to ensure that residents at financial risk are able to access financial	22	Completed – Moderate assurance.

		support, particularly Covid-related support.		
FWU22-1	Health and safety - asbestos (extended follow up) *	Extended follow up of Health and safety - asbestos (HOU20-5). Ongoing assurance in this area of principal risk, the review will assess the implementation of recommendations across a number of areas including governance, management and monitoring.	12	Follow up fieldwork is underway to look at implementation of 19 recommendations, relating to five high and two medium rated findings. A follow up memorandum will be issued in Q4 of 2022/23.
FWU22-2	Supplier bank amendments (extended follow up) *	Extended follow up of Supplier bank amendments (AD21-2). This audit will include testing a new sample of amendments to verify the operation of key controls.	15	<p>An extended follow up audit was completed. We looked at the rate of implementation of 29 recommendations, relating to six high and four medium priority findings, which had passed their target implementation dates. We found that:</p> <ul style="list-style-type: none"> • 26/29 (90%) recommendations have been implemented; and • 3/29 (10%) recommendations have been partially implemented. <p>The partially implemented recommendation related to:</p> <ul style="list-style-type: none"> • Finalisation and publication of new sundry supplier guidance; • Reperformance of sundry supplier data analysis; and • System-generated reporting on amendments to supplier records.

				A revised target implementation date of 31 December 2022 has been agreed for the outstanding recommendations.
FWU22-7	Community Wealth Building follow up activity	<p>Follow up activity relating to the following audits:</p> <ul style="list-style-type: none"> • Financial resilience of residents • Decline in local business resilience • Contract management 20/21 	16	<p>Outcomes of follow up activity are detailed in Appendix 3. All recommendations have been implemented for the following audit:</p> <ul style="list-style-type: none"> • Contract management 20/21 <p>Further follow up work is planned in Q4 2022/23 relating to the other audits.</p>

2.7. Environment

Ref	Audit title	Indicative scope	Planned days	Status
E22-1	Climate emergency *	The objective of this audit is to review the robustness of the council's governance and control framework to mitigate key risks related to the council's climate change programme. The scope will also include a review of controls for the gathering, monitoring and reporting of data.	21	The audit is currently being scoped. Fieldwork and reporting will take place in Q4 2022/23.
FWU22-8	Environment follow up activity	<p>Follow up activity relating to the following audits from previous years:</p> <ul style="list-style-type: none"> • Commercial waste recovery plan • Greenspace income • Parking services 	20	<p>Outcomes of follow up activity are detailed in Appendix 3. All recommendations have been implemented for the following audits:</p> <ul style="list-style-type: none"> • Greenspace income • People friendly streets (PFS)

		<ul style="list-style-type: none"> • People friendly streets (PFS) 		Further follow up work is planned in Q4 2022/23 relating to the other audits.
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2.8. Fairer Together

Ref	Audit title	Indicative scope	Planned days	Status
FT22-1	Voluntary Sector Organisation (VSO) establishment review – Culpeper Community Garden	Risk based review of one VSO to assess the effectiveness of governance mechanisms and financial practices.	13	The audit is currently being scoped. Fieldwork and reporting will take place in Q4 2022/23.
FWU22-9	Fairer Together follow up activity	Follow up activity relating to the following 2021-22 audit: <ul style="list-style-type: none"> • Challenging Inequality Programme 	5	Outcomes of follow up activity are detailed in Appendix 3. Further follow up work is planned in Q4 2022/23.

2.9. Homes and Neighbourhoods

Ref	Audit title	Indicative scope	Planned days	Status
HN22-1-1	Tenant Management Organisation (TMO) establishment review - Seaview	Risk based review of TMOs. These reviews are part a rolling programme of assurance for TMOs which operates on a cyclical basis. The programme assesses the effectiveness of	13	Fieldwork is underway. A report will be issued in Q4 2022/23.

HN22-1-2	TMO establishment review – Taverner and Peckett	governance mechanisms and financial practices.	13	Fieldwork is underway. A report will be issued in Q4 2022/23.
HN22-1-5	TMO establishment review – Brunswick		13	Fieldwork is underway. A report will be issued in Q4 2022/23.
HN22-2	Landlord duty of care: housing safety programme assurance *	A new project has been agreed to provide central oversight over housing safety. This audit will look at programme arrangements in place and will assess the effectiveness of overarching governance arrangements around housing safety.	16	Fieldwork is underway. A report will be issued in Q4 of 2022/23.
HN22-3	Tenant Management Organisation (TMO) monitoring arrangements *	This review has been carried forward from the 21/22 audit plan at the request of the service area due to significant changes that are planned in the council's approach to monitoring TMO activity. The audit is planned for Q3/Q4 of 2022-23 to allow time for revised practice to be implemented. The audit will review council processes for monitoring TMO activity and governance arrangements. This will take into account whether monitoring activity is sufficient in light of the increased responsibilities for councils introduced in the 2021 Housing White Paper.	16	Scoping, fieldwork and reporting will take place in Q4 2022/23.

HN22-4	Housing allocation and medical need	A risk-based review of the council's key controls in place around prioritisation of housing allocation based on medical need.	16	The audit has been scoped. Fieldwork and reporting will take place in Q4 2022/23.
FWU22-10	Homes and Neighbourhoods follow up activity	<p>Follow up activity relating to the following audits:</p> <ul style="list-style-type: none"> • HomeBuild • Housing Revenue Account (HRA) • Landlord duty of care - fire risk assessments • Landlord duty of care – lifts • Rent income and recovery • Tenant Management Organisation (TMO) monitoring arrangements 	13	<p>Outcomes of follow up activity are detailed in Appendix 3. All recommendations have been implemented for the following audits:</p> <ul style="list-style-type: none"> • HomeBuild • Landlord duty of care - fire risk assessments • Rent income and recovery <p>Further follow up work is planned in Q4 2022/23 relating to the other audits.</p>

2.10. Public Health

Ref	Audit title	Indicative scope	Planned days	Status
FWU22-11	Public Health follow up activity	<p>Follow up activity relating to the following audits:</p> <ul style="list-style-type: none"> • Health and social care integration – purchase and funding of services • Public health partnership working arrangements 		<p>Outcomes of follow up activity are detailed in Appendix 3. Further follow up work is planned in Q4 2022/23.</p>

Additional reviews

Eight additional reviews have been added to the audit plan to date in 2022/23, with a combined audit budget of 106 days.

Ref	Audit title	Indicative scope	Planned days	Status
AD22-1	Concierge service	Controls awareness note on the receipt of deliveries by the council's concierge service.	6	Completed. A controls awareness note was issued.
AD22-2	Purchase cards *	A review of usage patterns of purchase cards through audit testing of high risk transaction types.	21	Fieldwork has been completed. A report will be issued in December 2022.
AD22-3	Tenant Management Organisation (TMO) establishment review - Pleydell	Risk based review of TMOs. These reviews are part a rolling programme of assurance for TMOs which operates on a cyclical basis. The programme assesses the effectiveness of governance mechanisms and financial practices. These two additional audits were added to the plan once the Principal Auditor vacancy was filled, increasing the audit team's capacity for the year.	13	Fieldwork is underway. A report will be issued in Q4 2022/23.
AD22-4	Tenant Management Organisation (TMO) establishment review - Dixon Clark Court	Risk based review of school or children's centre. The programme assesses the effectiveness of governance mechanisms and financial	13	Fieldwork is underway. A report will be issued in Q4 2022/23.
AD22-5	Schools establishment review - St John's Upper Holloway	Risk based review of school or children's centre. The programme assesses the effectiveness of governance mechanisms and financial	13	The audit has been scoped. Fieldwork and reporting will take place in Q4 2022/23.

AD22-6	Schools establishment review - Highbury Fields	practices. These two additional audits were added to the plan once the Principal Auditor vacancy was filled, increasing the audit team's capacity for the year.	13	Fieldwork has been completed. A report will be issued in January 2023.
AD22-7	Landlord duty of care: lifts *	On-going programme of assurance against this area of Principal Risk. Cross-cutting review of the Council's arrangements for ensuring compliance with health and safety requirements across its property portfolio. Scope to focus on lift maintenance and replacement within the Council's housing stock.	21	As at the last update to the Audit Committee in September 2022, a need for additional audit work to cover off areas of key risk was identified. This additional work commenced in Q2 of 2022/23. Fieldwork has been delayed due to staff absences in the audited team, but is near completion. A report will be issued in Q4 of 2022/23.
AD22-8	Supporting Families	Review of grant compliance for Supporting Families funding.	6	The audit has been scoped. Fieldwork and reporting will take place in Q4 2022/23.

3. Audit plan completion statistics

Audit status	Number of reviews
Total number of reviews included on the original audit plan (see sections 2.1-2.10 above for breakdown)	30
Reviews added in year (see section 2.11 above for breakdown)	8
Total reviews on audit plan	38
Audits removed from plan: <i>Delivered and reported as part of 2021/22 plan:</i>	5

Audit status		Number of reviews
<p>1. Schools establishment review – Duncombe Primary School</p> <p>2. Schools establishment review - Samuel Rhodes Primary School</p> <p><i>Reviews that did not proceed due to a revised risk assessment:</i></p> <p>3. Use of sundry suppliers (see R22-3 above)</p> <p>4. Unauthorised access to Council email systems (see R22-4 above)</p> <p>5. Safeguarding children - vetting of staff (see CS22-1 above)</p>		
Remaining audits due for completion as part of the 2022/23 plan		33
Audits completed to reporting stage:		
<i>Audits completed and report issued in final</i>	7 (21%)	11 (33%)
<i>Audits completed and awaiting final management response</i>	4 (12%)	
Audits in progress:		
<i>Audit fieldwork completed – reporting</i>	3 (9%)	21 (64%)
<i>Audit fieldwork underway</i>	13 (39%)	
<i>Scoping underway</i>	5 (15%)	
Audits not yet started:		
<i>To be scoped</i>	1 (3%)	1 (3%)

4. Basis of our opinion and assurance statements

Level of assurance	
Substantial ●	There is a sound control environment with risks to key service objectives being reasonably managed. Any deficiencies identified are not cause for major concern. Recommendations will normally only be Advice and Best Practice.
Moderate ●	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 ●	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 Critical recommendations would need to be mitigated by significant strengths elsewhere.
No ●	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.

APPENDIX ENDS