

Finance

7 Newington Barrow Way

London N7 7EP

Report of: Corporate Director of Resources

Meeting of: Audit Committee

Date: 13<sup>th</sup> March 2023

Wards: All

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## Subject: Draft 2023/24 Internal Audit plan

### 1. Synopsis

- 1.1. The provision of a continuous Internal Audit service provides independent and objective assurance on the control environment that supports the delivery of the Council's objectives.
- 1.2. The report outlines the proposed 2023/24 Internal Audit plan for the Council. It also includes the Internal Audit Strategy and an assurance map which maps audit activity to each of the Council's principal risks.

### 2. Recommendation

- 2.1. Committee is asked to approve the 2023-24 Internal Audit plan.

### 3. Background

- 3.1. The Council has a statutory duty to maintain an adequate and effective Internal Audit function. The Internal Audit, Investigations and Risk Management service provides this function.
- 3.2. Our primary objective is to provide the Council, via the Audit Committee, with independent assurance that risk management, governance and internal control

processes are operating effectively. Internal Audit also seek to provide advice on risk and control issues within individual processes. We aim to achieve this through a planned programme of work based on an annual assessment of the principal risks facing the Council.

- 3.3. The Internal Audit Strategy, attached at Appendix 1, details the role and objective of Internal Audit within the organisation and the overall strategic approach to meeting this objective.
- 3.4. The draft plan attached at Appendix 2 details the work to be undertaken by the Internal Audit in 2023/4 to deliver this objective.
- 3.5. Appendix 3 includes an assurance map which maps recent and planned audit activity to each of the Council's principal risks.
- 3.6. Internal Audit aims to retain flexibility in its approach in order to provide coverage of emerging risks, and to meet the changing needs of the organisation. To this end, while Internal Audit will deliver a risk based annual plan, we will also remain responsive to the needs of auditees and wider stakeholders and will continue to provide ad hoc control advice and support where required.

## 4. Internal Audit plan – preparation and consultation

- 4.1. The Council has a statutory duty to maintain an adequate and effective Internal Audit function. The Internal Audit, Investigations and Risk Management service provides this function.
- 4.2. The 2023/24 plan was drafted from a number of sources including the Council's principal risk report, an Internal Audit risk assessment, audit plans of other local authorities, intelligence from previous audits/fraud investigations, and CIPFA good governance guidelines. The Internal Audit risk assessment to arrive at the plan is as follows:
  - The Council's principal risks were evaluated to assess the extent of assurance activity against them in the last three years and any planned follow up activity (see Appendix 3);
  - Any gaps in assurance were identified and audit or advisory activity was proposed to ensure Internal Audit coverage;
  - Plans for each directorate have been discussed and approved at Directorate Management Teams (DMTs) in January and February 2023; and
  - The wider plan and assurance map have been noted at DMTs in January and February 2023 and at CMB in February 2023.
- 4.3. Based on the evaluation of risks and the body of work carried out over the three years between 2020/21 and 2022/23 and in line with good practice, the 2023/24 plan includes a proportion of extended follow up reviews to provide continued assurance on principal risks.

## 5. Internal Audit plan – delivery

- 5.1. The annual plan has been drawn up to address the statutory requirements and key risks for the Council, taking into account the available resources within the Internal Audit service. Changes to the annual plan may be necessary during the year to reflect changing risks.
- 5.2. Based on the risk assessment exercise outlined in section 2.1 above, the proposed 2023/24 audit plan includes:
- New audits relating to principal risks (185 days);
  - New audits relating to key financial systems (52 days);
  - New audits requested by management not related to principal risks (17 days);
  - Extended follow ups to provide additional assurance relating to key 2022/23 audits (38 days);
  - Follow up activity to provide continued assurance relating to principal risks and key financial systems (124 days);
  - New establishment reviews (schools, tenant management organisations and voluntary sector organisations) (190 days);
  - Grant claim certification (30 days); and
  - Risk management, investigations, audit planning and follow up coordination activity through Controls Board (90 days).
- 5.3. The 2023/24 Internal Audit plan will deliver c.785 audit days, including a contingency of c.60 days to cover urgent and unplanned reviews arising during the year. A portion of the plan (up to c.180 days) will be delivered by our co-sourced partner.

## 6. Follow up audits

- 6.1. A Controls Board is in place to facilitate an ongoing dialogue between Internal Audit and Directorate Management Teams around the progress of the Internal Audit plan, emerging assurance themes, monitoring of audit actions arising from internal and external audit work, proactive advisory work and escalation of areas of concern. The Director of Finance chairs the Controls Board and its members include Internal Audit and representatives from all directorates.
- 6.2. Internal Audit follow up those recommendations which present the highest risk to the Council. We will follow up all critical and high priority recommendations, and medium priority recommendations in areas where the inherent risk of fraud or reputational damage is high. All other recommendations are tracked at a directorate level and implementation status is reported to Controls Board. Responsibility for following up all recommendations from establishment reviews

(schools, Tenant Management Organisations and voluntary sector organisations) sits within the relevant directorates except where critical priority findings are identified.

- 6.3. Only extended follow up audits are reported on using memoranda. All other recommendations are followed up in the quarter after they fall due. Outcomes of follow up activity and rationales to support outcome assessments are held within a tracker. A summary of implementation rates for critical and high priority recommendations is reported to Audit Committee twice a year within the Internal Audit Annual Report and the Interim Internal Audit Annual Report.

## 7. Implications

### 7.1. Financial Implications

- 7.1.1. A sound system of internal controls forms a significant part of the governance framework and is essential to underpin the effective use of resources.
- 7.1.2. There are no direct financial implications of the recommendations within this report.
- 7.1.3. The cost of delivering the audit plan is budgeted for within the council's overall budget.

### 7.2. Legal Implications

- 7.2.1. The Local Audit and Accountability Act 2014 sets out the regulatory framework for the audit of local authorities. The Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance (Accounts and Audit Regulations 2015 (SI 2015/234), regulation 5). The Public Sector Internal Audit Standards 2017 provide a set of public sector internal audit standards, which are supplemented for local government by CIPFA standard setting guidance.

### 7.3. Environmental Implications and contribution to achieving a net zero carbon Islington by 2030

- 7.3.1. There are no environmental implications arising from the recommendations in this report.

### 7.4. Equalities Impact Assessment

- 7.4.1. The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take

account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

7.4.2. An Equalities Impact Assessment is not required in relation to this report, because the decision currently being sought does not have direct impacts on residents.

**Appendices:**

- Appendix 1 – Internal Audit Strategy
- Appendix 2 – Internal Audit Plan
- Appendix 3 – Assurance Map

**Final report clearance:**

**As agreed by:** Corporate Director of Resources

**Date:** 23 February 2023

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## **APPENDIX 1 – INTERNAL AUDIT STRATEGY**

### **1. Introduction**

- 1.1 This document sets out the overall strategic approach of the Council's Internal Audit function in providing assurance over the key risks faced by the Council. The Council operates a Shared Internal Audit Service with Camden, with a shared Head of Internal Audit supported by dedicated Audit Managers and principal auditors at each borough.

### **2. Purpose of Internal Audit**

- 2.1 The overall strategy of Internal Audit primarily entails delivering a risk-based audit plan aligned with the Council's principal risk profile.
- 2.2 As noted in the Internal Audit Charter, it is the responsibility of management to maintain appropriate risk management processes, control systems, accounting records and governance arrangements. Internal Audit is not responsible for designing and implementing control systems and managing risks.
- 2.3 The purpose of the Internal Audit Service is to provide independent, objective assurance and consulting services (via the Audit Committee) in order to add value and improve operations.
- 2.4 The mission of the Shared Internal Audit Service is to enhance and protect organisational value by providing risk based and objective assurance, advice and insight.
- 2.5 The Chief Finance Officer has a statutory duty under the Local Government Act 1972 to ensure an effective Internal Audit function is maintained.

### **3. Ethical standards**

- 3.1 Internal Audit maintains independence and objectivity within the organisation and follows the Public Sector Internal Audit Standards in the course of its work.

### **4. Roles and Responsibilities**

- 4.1 The Service is led by the Head of Internal Audit, whose roles and responsibilities are detailed in the Camden and Islington Shared Internal Audit Service Charter.
- 4.2 The Head of Internal Audit is supported in achieving these responsibilities by the Audit Manager and a team of principal auditors.
- 4.3 Some reviews (determined on an annual basis) are delivered by a co-sourced partner. These reviews are normally those where Internal Audit identify that the reviews would benefit from particular technical expertise outside the service, or where this would support the independence of the service.
- 4.4 The service works and liaises with a number of stakeholders outside of the service including:
- The Audit Committee;
  - Officers within the Council;
  - The Council's Risk Manager;

- A co-sourced partner;
- External partners, including other Councils and CIPFA.

## **5. Risk Assessment and Audit Plan Development**

- 5.1 An annual Internal Audit risk assessment is conducted based on the Council's Principal Risk Report and other sources of information as appropriate.
- 5.2 An Internal Audit plan is produced based on this risk assessment. As part of this process, Internal Audit also considers risk areas which, whilst not requiring immediate attention, could be supported by review and includes these reviews on a reserve list for consideration on future plans.
- 5.3 Internal Audit consults on the Audit Plan as appropriate, including with DMTs and the Corporate Management Board.
- 5.4 The plan is presented to the Audit Committee for approval.
- 5.5 Changes in the plan can be made in year if required in response to changing risks.

## **6. Risk-based reviews**

- 6.1 To deliver the annual Internal Audit plan, risk-based reviews are undertaken in accordance with the Shared Service Internal Audit Methodology.
- 6.2 A Terms of Reference is prepared for each planned review which sets out the key risks and objectives of the audit and is agreed with the auditee.
- 6.3 Audit fieldwork is completed in line with the agreed Terms of Reference, and may include the following procedures to provide assurance:
  - Interviews with control owners, and obtaining an understanding of controls to assess the extent to which they mitigate the risks as per the Terms of Reference;
  - Walkthroughs where performance of controls is observed;
  - Inspection of relevant documentation and detailed testing to confirm performance of controls.
- 6.4 At the conclusion of an audit, a closing meeting is held and an audit report is written, that sets out the audit findings which are rated as critical, high, medium or low. Where applicable, the report is given an overall assurance rating to indicate the overall effectiveness of the control environment.
- 6.5 The report also includes recommendations as to how findings may be addressed. Actions are agreed with the auditee in respect of these recommendations, accompanied with target dates and action owners.

## **7. Follow-ups**

- 7.1 Completion of agreed actions is tracked through follow up work, whereby the auditee provides evidence confirming the completion of actions. Internal Audit reviews evidence to confirm the completion of actions.
- 7.2 In some cases, Internal Audit conducts an extended follow-up review. This is typically for high risk areas and may entail a repeat of some of the procedures in 6.3 above to assess the control environment following the completion of agreed audit actions.

7.3 Completion of actions is reported to the Audit Committee.

**8. Monitoring Plan delivery**

- 8.1 Internal Audit tracks the delivery of the Audit Plan on an ongoing basis to confirm plan delivery against target.
- 8.2 The Audit Committee has overall responsibility for governance-level oversight of the plan, and receives bi-annual reports on delivery. The annual report includes an overall annual assurance opinion for the Council.

**Appendix ends**

## APPENDIX 2 – 2023/24 DRAFT INTERNAL AUDIT PLAN

An \* next to the audit title indicates that the proposed activity relates to a principal risk (see assurance mapping at **Appendix B**).

Ref	Audit title	Indicative scope	Planned quarter	Planned days
<b>A. CORPORATE / CROSS-CUTTING</b>				
CC23-1	Risk management – assurance mapping	Internal Audit input into assurance mapping for principal risks.	Q3	10
CC23-2	Serious fraudulent activity *	Internal Audit input into reactive investigations to be undertaken in-year.	All	20
CC23-3	Audit plan production	Preparation of the Council's annual audit plan.	Q3/4	10
CC23-4	Controls Board	Internal Audit input into Controls Board workplan and support for directorate representatives.	All	30
CC23-5	Good Governance Group	Internal Audit input into Good Governance Group workplan	All	20
CC23-6-1	Review of grant claim – Turnaround Programme	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.	Q1/2	6
CC23-6-2	Review of grant claim – Supporting Families		Q4	6
CC23-6-3	Review of grant claim - grant 3		TBC	6
CC23-6-4	Review of grant claim - grant 4		TBC	6
CC23-6-5	Review of grant claim - grant 5		TBC	6
CC23-7	Modern day slavery *	A review of joint working, governance and oversight arrangements relating to modern day slavery. The audit will also look at staff training and communications with residents.	Q3	17

FWU2 3-1	Cross-cutting follow up activity	Follow up activity relating to the following audits: <ul style="list-style-type: none"> <li>• Business transformation</li> <li>• Insurance settlements</li> <li>• Landlord duty of care – lifts</li> <li>• PMO</li> <li>• Technology debt management</li> </ul>	All	12
FWU2 3-10	2023/24 in-year follow up activity	Audit recommendations for some 2023/24 planned audits will need to be followed up in year, and this time has been allocated based on actual time spent on in-year follow ups in 2021/22 and 2022/23.	Q3/4	22
<b>Total Cross-Cutting days</b>				<b>154</b>

Ref	Audit title	Indicative scope	Planned Quarter	Planned days
<b>B. RESOURCES</b>				
R23-1-1	Review of key financial system – council tax and business rates	Review of key financial systems in line with a rolling plan.	Q3	13
R23-1-2	Review of key financial system – scope to be confirmed in year		Q3	13
R23-1-3	Review of key financial system – staff expenses	A risk based review focussed on key controls related to staff expenses.	Q3	13
R23-1-4	Review of key financial system – financial regulations	Internal Audit input into the planned review of the Council’s Financial Regulations.	Q3	13
R23-2	Key IT application review - LiquidLogic *	A review of a key IT application in use within the Council. System to be identified during scoping.	Q2	16

R23-3	Savings delivery programme – Adults and Children *	A review of the effectiveness of monitoring and reporting arrangements for delivery of agreed Medium-Term Financial Strategy (MTFS) savings. Areas of focus to be identified during scoping.	Q3	17
R23-4 (provisional)	Information governance *	This audit will review and assess key areas of information governance risk. Areas of focus to be identified during scoping.	Q2	17
FWU2 3-9	Resources follow up activity	<p>Follow up activity relating to the following audits:</p> <ul style="list-style-type: none"> <li>• Capital expenditure</li> <li>• Capital programme</li> <li>• Cyber security</li> <li>• Key financial system (KFS) - accounts receivable</li> <li>• KFS - bank and system reconciliations</li> <li>• KFS - capital accounting (asset management)</li> <li>• KFS - pensions</li> <li>• KFS - treasury</li> <li>• Key IT application review – Northgate Housing</li> <li>• Payroll</li> <li>• Purchase cards</li> <li>• Technology debt management</li> <li>• Use of contingent workers</li> </ul>	All	45
FWU2 3-11	Access controls and rights (extended follow up) *	Extended follow up of Access controls and rights (FR21-2). This audit will include testing a new sample to verify the operation of key controls.	Q1/2	16
<b>Total Resources days</b>				<b>163</b>

Ref	Audit title	Indicative scope	Planned quarter	Planned days
<b>C. ADULT SOCIAL CARE</b>				
ASC23-1	Social care market stability *	A review of the effectiveness of arrangements to support social care market stability.	Q2	17
ASC23-2	Non-recent child abuse support payment scheme *	A review of the effectiveness of arrangements for distribution of payments related to non-recent child abuse. The audit will sample test payments to assess their validity, accuracy and timeliness.	Q1	17
FWU2 3-2	Adult Social Care follow up activity	Follow up activity relating to the following audit: <ul style="list-style-type: none"> <li>• Mental health safeguarding processes</li> </ul>	All	2
<b>Total Adult Social Care days</b>				<b>53</b>

Ref	Audit title	Indicative scope	Planned quarter	Planned days
<b>D. CHILDREN AND YOUNG PEOPLE</b>				
CS23-1	Youth Safety *	A review of the effectiveness of projects to support youth safety.	Q3/4	17
CS23-2	Schools establishment reviews	Risk based review of seven schools or children's centres. The programme assesses the effectiveness of governance mechanisms and financial practices.	All	112
FWU2 3-3	Children and Young People follow up activity	Follow up activity relating to the following audits: <ul style="list-style-type: none"> <li>• Conewood Children's Centre</li> <li>• Domestic violence</li> <li>• SEN transport</li> </ul>	All	4
<b>Total Children and Young People days</b>				<b>133</b>

Ref	Audit title	Indicative scope	Planned quarter	Planned days
<b>E. COMMUNITY ENGAGEMENT AND WELLBEING</b>				
FT23-1	Voluntary Sector Organisation (VSO) establishment review	Risk based review of one VSO to assess the effectiveness of governance mechanisms and financial practices.	Q3/4	13
FWU2 3-6	Community Engagement and Wellbeing follow up activity	Follow up activity relating to the following audit: <ul style="list-style-type: none"> <li>Challenging Inequality Programme</li> </ul>	All	3
<b>Total Community Engagement and Wellbeing days</b>				<b>16</b>

Ref	Audit title	Indicative scope	Planned quarter	Planned days
<b>F. COMMUNITY WEALTH BUILDING</b>				
CWB2 3-1	Indexation and inflation governance *	A review of indexation and inflation governance. The specific focus of the audit will be determined during scoping.	Q2	17
FWU2 3-4	Community Wealth Building follow up activity	Follow up activity relating to the following audits: <ul style="list-style-type: none"> <li>Financial resilience of residents</li> <li>Health and safety – asbestos governance, management and monitoring</li> <li>Supplier bank amendments</li> </ul>	All	15
FWU2 3-12	Decline in local business resilience (extended follow up) *	Extended follow up of Decline in local business resilience (CWB21-1).	Q1	11
<b>Total Community Wealth Building days</b>				<b>43</b>

Ref	Audit title	Indicative scope	Planned quarter	Planned days
<b>G. ENVIRONMENT AND CLIMATE CHANGE</b>				
E23-1	Anti-social behaviour (ASB) service	A risk-based review of key controls within the ASB service	Q4	16
E23-2	Cemeteries	A review of cemetery management arrangements. The specific focus of the audit will be determined during scoping.	Q2/3	17
FWU2 3-5	Environment and Climate Change follow up activity	Follow up activity relating to the following audits: <ul style="list-style-type: none"> <li>• Climate emergency</li> <li>• Parking services</li> </ul>	All	6
<b>Total Environment and Climate Change days</b>				<b>39</b>

Ref	Audit title	Indicative scope	Planned quarter	Planned days
<b>H. HOMES AND NEIGHBOURHOODS</b>				
HN23-1	New Homes supplier failure *	A review of arrangements in place to mitigate the risk of New Homes principal supplier and supply chain failures.	Q2/3	17
HN23-2	Landlord duty of care – condensation and mould *	A review of arrangements in place to protect social housing residents from the effects of condensation and mould.	Q2	17
HN23-3	Tenant Management Organisation (TMO) establishment reviews	Risk based review of five 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.	Q2/3	65
FWU2 3-7	Homes and Neighbourhoods follow up activity	Follow up activity relating to the following audits:	All	10

		<ul style="list-style-type: none"> <li>• Housing allocations – medical assessments</li> <li>• Housing Revenue Account (HRA)</li> <li>• Tenant Management Organisation (TMO) monitoring arrangements</li> </ul>		
FWU2 3-13	Extended follow up - landlord duty of care - housing safety programme assurance *	<ul style="list-style-type: none"> <li>• Extended follow up of Landlord duty of care - housing safety programme assurance (HN22-2).</li> </ul>	Q2/3	11
<b>Total Homes and Neighbourhoods days</b>				<b>120</b>

Ref	Audit title	Indicative scope	Planned Quarter	Planned days
<b>I. PUBLIC HEALTH</b>				
FWU2 3-8	Public Health follow up activity	Follow up activity relating to the following audit: <ul style="list-style-type: none"> <li>• Public health partnership working arrangements</li> </ul>	All	5
<b>Total Public Health days</b>				<b>5</b>

**Appendix ends**

**APPENDIX 3 – 2022-23 ASSURANCE MAP**

Risk title	Internal audit coverage (from 2020/21 to 2022/23)	2023/24 planned internal audit coverage
<p>Financial stability and resilience</p>	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>• Financial strategy – Adult Social Care (CC20-3)</li> <li>• Commercial waste recovery plan (AD20-2)</li> <li>• Housing Revenue Account follow up activity</li> <li>• Parking services follow up activity</li> <li>• Rent income and recovery follow up activity</li> <li>• Blue badges follow up activity</li> <li>• Grant certification activity</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>• Financial strategy – Adult Social Care follow up activity</li> <li>• Commercial waste recovery plan follow up activity</li> <li>• Housing Revenue Account follow up activity.</li> <li>• Parking services follow up activity</li> <li>• Rent income and recovery follow up activity.</li> <li>• Blue badges follow up activity</li> <li>• Grant certification activity</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>• Insurance settlements (CC22-7)</li> <li>• Purchase cards (AD22-2)</li> <li>• Financial strategy – Adult Social Care follow up activity</li> <li>• Commercial waste recovery plan follow up activity</li> <li>• Housing Revenue Account follow up activity</li> <li>• Parking services follow up activity</li> </ul>	<p>Resource has been included in the Resources element of the 2023/24 audit plan for assurance in this area:</p> <ul style="list-style-type: none"> <li>• Savings delivery (R23-3)</li> </ul> <p>Resource has been included in the Adult Social Care element of the 2023/24 audit plan for further follow up work relating to the following audit:</p> <ul style="list-style-type: none"> <li>• Financial strategy – Adult Social Care</li> </ul> <p>Resource has been included in the Environment and Climate Change element of the 2023/24 audit plan for further follow up work relating to the following audits:</p> <ul style="list-style-type: none"> <li>• Commercial waste recovery plan</li> <li>• Parking services</li> </ul> <p>Resource has been included in the Resources element of the 2023/24 audit plan for further follow up work relating to the following audits:</p> <ul style="list-style-type: none"> <li>• Housing Revenue Account</li> </ul>

Risk title	Internal audit coverage (from 2020/21 to 2022/23)	2023/24 planned internal audit coverage
	<ul style="list-style-type: none"> <li>Grant certification activity</li> </ul>	<p>Resource has also been included for initial follow up work relating to the following audits:</p> <ul style="list-style-type: none"> <li>Insurance settlements</li> <li>Purchase cards</li> </ul>
Volatility of energy market causes budget pressures for the Council, Schools and residents	N/A – new risk in 2022/23.	None – as there has been extensive scrutiny in this area to respond to the emerging risk, additional assurance work in this area is not considered necessary in 2023/24.
Declining financial resilience of residents	<p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>Financial resilience of residents – test and trace support payments (CWB22-1)</li> <li>Housing allocations – medical assessments (CC22-7)</li> </ul>	<p>Resource has been included in the Community Wealth Building element of the 2023/24 audit plan for initial follow up work relating to the following audit:</p> <ul style="list-style-type: none"> <li>Financial resilience of residents – test and trace support payments</li> </ul> <p>Resource has been included in the Homes and Neighbourhoods element of the 2023/24 audit plan for initial follow up work relating to the following audit:</p> <ul style="list-style-type: none"> <li>Housing allocations – medical assessments</li> </ul>
Covid-19 Outbreak Control	None – overarching governance in this area was considered to be sufficiently robust that additional non-reactive	Given that this risk is likely to be removed as a principal risk in-year in line with other London councils, no Internal Audit activity is planned

Risk title	Internal audit coverage (from 2020/21 to 2022/23)	2023/24 planned internal audit coverage
	audit work was not deemed necessary.	for 2023/24. Risk management support will continue to be provided. Any audit activity will be confined to reactive audits if concerns are raised in year.
Cyber and data security breach	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>• Cyber security follow up activity</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>• Access controls and rights (FR21-2)</li> <li>• Cyber security follow up activity</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>• Access controls and rights follow up activity</li> <li>• Cyber security follow up activity</li> </ul>	<p>Resource has been included in the Resources element of the 2023/24 audit plan for further follow up work relating to the following audits:</p> <ul style="list-style-type: none"> <li>• Access controls and rights</li> <li>• Cyber security</li> </ul>
Diversity and inclusion	<p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>• Challenging inequality programme (FR21-5)</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>• Challenging inequality programme follow up activity</li> </ul>	<p>Resource has been included in the Community Engagement and Wellbeing element of the 2023/24 audit plan for further follow up work relating to the following audit:</p> <ul style="list-style-type: none"> <li>• Challenging inequality programme</li> </ul>
Increased incidents of youth crime and serious youth violence impact on the council's ability to respond adequately	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>• Youth crime (PS20-1)</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>• Youth crime follow up activity</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>• None based on moderate assurance rating in 2020/21</li> </ul>	<p>Resource has been included in the Children and Young People element of the 2023/24 audit plan for assurance in this area:</p> <ul style="list-style-type: none"> <li>• Implementation of the youth safety strategy (CS23-2)</li> </ul> <p>Resource has been included in the Environment and Climate Change element of the 2023/24</p>

Risk title	Internal audit coverage (from 2020/21 to 2022/23)	2023/24 planned internal audit coverage
	and good follow up outcomes in 2021/22.	audit plan for assurance in this area: <ul style="list-style-type: none"> <li>• Anti-social behaviour service</li> </ul>
Failure to address and challenge social inequalities	<p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>• Challenging Inequality programme (FR21-5)</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>• Challenging Inequality programme follow up activity</li> </ul>	Resource has been included in the Community Engagement and Wellbeing element of the 2023/24 audit plan for further follow up work relating to the following audit: <ul style="list-style-type: none"> <li>• Challenging Inequality programme</li> </ul>
Serious information breach or non-compliance with legislation	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>• Information governance - records management follow up activity</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>• Information governance - records management follow up activity</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>• Information governance - records management follow up activity</li> </ul>	Resource has been included in the Resources element of the 2023/24 audit plan for assurance in this area: <ul style="list-style-type: none"> <li>• Freedom of Information requests (R23-4)</li> </ul>
Social care market instability cause provider failure or withdrawal	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>• Contract management (CC20-6)</li> <li>• Adult social care provider failure follow up activity</li> </ul> <p><b>2021/22</b></p>	Resource has been included in the Adult Social Care element of the 2023/24 audit plan for assurance in this area: <ul style="list-style-type: none"> <li>• Social care market instability (ASC23-1)</li> </ul>

Risk title	Internal audit coverage (from 2020/21 to 2022/23)	2023/24 planned internal audit coverage
	<ul style="list-style-type: none"> <li>• Adult social care provider failure follow up activity</li> <li>• Contract management follow up activity</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>• Contract management follow up activity</li> </ul>	
Safeguarding Adults - failure to identify or respond to preventable harm	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>• Safeguarding adults (PS20-2)</li> <li>• Direct payments follow up activity</li> <li>• Mental health safeguarding follow up activity</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>• Safeguarding adults follow up activity</li> <li>• Direct payments follow up activity</li> <li>• Mental health safeguarding follow up activity</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>• Safeguarding adults follow up activity</li> <li>• Mental health safeguarding follow up activity</li> </ul>	<p>Resource has been included in the cross-cutting element of the 2023/24 audit plan for assurance in this area:</p> <ul style="list-style-type: none"> <li>• Modern day slavery (ASC23-2)</li> </ul>
Not achieving the declared net zero carbon target (by 2030)	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>• Capital programme (CC20-4)</li> <li>• People friendly streets (AD20-2)</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>• Capital programme follow up activity</li> </ul>	<p>Resource has been included in the Environment and Climate Change element of the 2023/24 audit plan for initial follow up work relating to the following audit:</p> <ul style="list-style-type: none"> <li>• Climate emergency</li> </ul>

Risk title	Internal audit coverage (from 2020/21 to 2022/23)	2023/24 planned internal audit coverage
	<ul style="list-style-type: none"> <li>• People friendly streets follow up activity</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>• Climate emergency (E22-1)</li> <li>• Capital programme follow up activity</li> <li>• People friendly streets follow up activity</li> </ul>	<p>Resource has been included in the Resources element of the 2023/24 audit plan for further follow up work relating to the following audit:</p> <ul style="list-style-type: none"> <li>• Capital programme</li> </ul>
<p>Commissioning, procurement and contract management operating model fails to maximise value for money and social value outcomes</p>	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>• Procurement follow up activity</li> <li>• Contract management (CC20-6)</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>• Contract management follow up activity</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>• Contract management follow up activity</li> </ul>	<p>Resource has been included in the Community Wealth Building element of the 2023/24 audit plan for assurance in this area:</p> <ul style="list-style-type: none"> <li>• Commissioning and procurement (CWB23-1)</li> </ul>
<p>Health and social care integration - insufficient capacity and resource to meet need</p>	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>• Public health partnership working arrangements follow up activity</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>• Health and social care integration (PH21-1)</li> <li>• Public health partnership working arrangements follow up activity</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>• Health and social care integration follow up activity</li> </ul>	<p>Resource has been included in the Public Health element of the 2023/24 audit plan for further follow up work relating to the following audits:</p> <ul style="list-style-type: none"> <li>• Health and social care integration</li> <li>• Public health partnership working arrangements</li> </ul>

Risk title	Internal audit coverage (from 2020/21 to 2022/23)	2023/24 planned internal audit coverage
	<ul style="list-style-type: none"> <li>Public health partnership working arrangements follow up activity</li> </ul>	
New Homes programme delivery	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>Homebuild (HOU20-1)</li> <li>S106 follow up activity</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>Homebuild follow up activity</li> <li>S106 follow up activity</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>None based on moderate assurance rating in 2020/21 and good follow up outcomes in 2021/22.</li> </ul>	<p>Resource has been included in the Homes and Neighbourhoods element of the 2023/24 audit plan for assurance in this area:</p> <ul style="list-style-type: none"> <li>New homes supplier failure (HN23-2)</li> </ul>
Non-recent child abuse – failure to deliver support payment scheme	None – external scrutiny in this area was considered to be sufficiently robust that additional non-reactive audit work was not deemed necessary.	<p>Resource has been included in the Adult Social Care element of the 2023/24 audit plan for assurance in this area:</p> <ul style="list-style-type: none"> <li>Non-recent child abuse support payment scheme (ASC23-3)</li> </ul>
Serious health and safety incident in housing (Including fire safety)	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>Landlord duty of care - fire risk assessments follow up activity</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>Landlord duty of care - fire risk assessments follow up activity</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>Landlord duty of care - housing safety project assurance (HN22-2)</li> </ul>	<p>Resource has been included in the Homes and Neighbourhoods element of the 2023/24 audit plan for assurance in this area:</p> <ul style="list-style-type: none"> <li>Landlord duty of care – condensation and mould (HN23-2)</li> </ul> <p>Resource has been included in the Homes and Neighbourhoods element of the 2023/24 audit plan</p>

Risk title	Internal audit coverage (from 2020/21 to 2022/23)	2023/24 planned internal audit coverage
	<ul style="list-style-type: none"> <li>Landlord duty of care - lifts (AD22-7)</li> <li>TMO monitoring arrangements (HN22-3)</li> <li>Landlord duty of care - fire risk assessments follow up activity</li> </ul>	<p>for initial follow up work relating to the following audits:</p> <ul style="list-style-type: none"> <li>Landlord duty of care - housing safety project assurance</li> <li>Landlord duty of care – lifts</li> <li>TMO monitoring arrangements</li> </ul>
<p>Serious health and safety incident (occupational)</p>	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>Health and safety – asbestos (HOU20-5)</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>Health and safety – asbestos follow up activity</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>Landlord duty of care - lifts (AD22-7)</li> <li>Health and safety – asbestos follow up activity</li> </ul>	<p>Resource has been included in the Community Wealth Building element of the 2023/24 audit plan for initial follow up work relating to the following audits:</p> <ul style="list-style-type: none"> <li>Health and safety - asbestos</li> <li>Landlord duty of care – lifts</li> </ul>
<p>Safeguarding children – safeguarding practice and provision for children and young people are ineffective</p>	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>SEN transport follow up activity</li> <li>Placement commissioning 16-17 year olds follow up activity</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>High needs/SEN children’s placements (PS21-1)</li> <li>SEN transport follow up activity</li> <li>Placement commissioning 16-17 year olds follow up activity</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>High needs/SEN children’s placements follow up activity</li> </ul>	<p>Resource has been included in the Children and Young People element of the 2023/24 audit plan for further follow up work relating to the following audits:</p> <ul style="list-style-type: none"> <li>High needs/SEN children’s placements</li> <li>SEN transport</li> </ul>

Risk title	Internal audit coverage (from 2020/21 to 2022/23)	2023/24 planned internal audit coverage
	<ul style="list-style-type: none"> <li>• SEN transport follow up activity</li> <li>• Placement commissioning 16-17 year olds follow up activity</li> </ul>	
Capital programme slippage and/or delivery failure	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>• Capital programme (CC20-4)</li> <li>• Capital expenditure follow up activity</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>• Capital programme follow up activity</li> <li>• Capital expenditure follow up activity</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>• Capital programme follow up activity</li> <li>• Capital expenditure follow up activity</li> </ul>	<p>Resource has been included in the Resources element of the 2023/24 audit plan for further follow up work relating to the following audits:</p> <ul style="list-style-type: none"> <li>• Capital programme</li> <li>• Capital expenditure</li> </ul>
Failure to respond consistently to increase in domestic violence abuse	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>• Domestic violence (PS20-7)</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>• Domestic violence follow up activity</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>• Domestic violence follow up activity</li> </ul>	<p>Resource has been included in the Children and Young People element of the 2023/24 audit plan for further follow up work relating to the following audit:</p> <ul style="list-style-type: none"> <li>• Domestic violence</li> </ul>
Well managed workforce to deliver corporate priorities	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>• Use of contingent workers (FR20-2)</li> <li>• Gifts, hospitality and declarations of interest follow up activity</li> </ul>	<p>Resource has been included in the Resources element of the 2023/24 audit plan for further follow up work relating to the following audit:</p> <ul style="list-style-type: none"> <li>• Use of contingent workers</li> </ul>

Risk title	Internal audit coverage (from 2020/21 to 2022/23)	2023/24 planned internal audit coverage
	<ul style="list-style-type: none"> <li>• Right to work vetting arrangements follow up activity</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>• Use of contingent workers follow up activity</li> <li>• Gifts, hospitality and declarations of interest follow up activity</li> <li>• Right to work vetting arrangements follow up activity</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>• Use of contingent workers follow up activity</li> <li>• Gifts, hospitality and declarations of interest follow up activity</li> </ul>	
Effective IT transformation and resilience	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>• CivicaPay (FR20-2)</li> <li>• Symology follow up activity</li> <li>• Technology debt management follow up activity</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>• Business transformation (FR21-3)</li> <li>• CivicaPay follow up activity</li> <li>• Symology follow up activity</li> <li>• Technology debt management follow up activity</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>• Key IT application review - Northgate Housing (R22-2)</li> <li>• Business transformation follow up activity</li> </ul>	<p>Resource has been included in the Resources element of the 2023/24 audit plan for assurance in this area:</p> <ul style="list-style-type: none"> <li>• Key IT application review – application TBC (R23-2)</li> </ul>

Risk title	Internal audit coverage (from 2020/21 to 2022/23)	2023/24 planned internal audit coverage
Change programme delivery	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>• Programme Management Office (PMO) (CC20-2)</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>• PMO follow up activity</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>• PMO follow up activity</li> </ul>	<p>Resource has been included in the Adult Social Care and Community Engagement and Wellbeing elements of the 2023/24 audit plan for further follow up work relating to the following audit:</p> <ul style="list-style-type: none"> <li>• PMO</li> </ul>
Pupil attainment gap - systemic failure to promote attendance and quality provision and interventions	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>• No assurance activity took place in 2020/21. The effectiveness of school governance mechanisms was verified as part of schools establishment reviews (PS20-6) in this area.</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>• No assurance activity took place in 2021/22. The effectiveness of school governance mechanisms was verified as part of schools establishment reviews (PS21-2) in this area.</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>• No assurance activity took place in 2022/23. The effectiveness of school governance mechanisms was verified as part of schools establishment reviews (CS22-2) in this area.</li> </ul>	<p>No assurance activity is planned for 2022/23. The effectiveness of school governance mechanisms will be verified as part of schools establishment reviews (CS23-1).</p>

Risk title	Internal audit coverage (from 2020/21 to 2022/23)	2023/24 planned internal audit coverage
<p>Failure to effectively respond and recover from critical incident as a service (organisational preparedness, resilience and business continuity)</p>	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>• Business continuity planning lessons learned exercise (ER20-4)</li> <li>• Emergency planning follow up activity</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>• Emergency planning follow up activity</li> </ul> <p><b>2022/23</b></p> <ul style="list-style-type: none"> <li>• No assurance activity took place in 2022/23 based on moderate assurance in 2019-20 and ongoing testing of business continuity arrangements due to Covid-19.</li> </ul>	<p>No assurance activity is planned for 2023/24 based on ongoing testing of business continuity and critical incident arrangements due to Covid-19 and responses to flooding incidents in 2022/23.</p>
<p>School viability and place planning - failure to implement a coherent strategy for managing the demand of school places impact the pattern of provision and schools' viability</p>	<p><b>2020/21</b></p> <ul style="list-style-type: none"> <li>• No assurance activity took place in 2020/21. Schools' financial viability was assessed as part of schools establishment reviews (PS20-6) in this area.</li> </ul> <p><b>2021/22</b></p> <ul style="list-style-type: none"> <li>• No assurance activity took place in 2021/22. Schools' financial viability was assessed as part of schools establishment reviews (PS21-2) in this area.</li> </ul> <p><b>2022/23</b></p>	<p>No assurance activity is planned for 2023/24. Risk management advice is being provided in this area.</p>

Risk title	Internal audit coverage (from 2020/21 to 2022/23)	2023/24 planned internal audit coverage
	<ul style="list-style-type: none"> <li>No assurance activity took place in 2022/23. Schools' financial viability was assessed as part of schools establishment reviews (CS22-2) in this area.</li> </ul>	
Serious fraudulent activity	<p>Fraud risks identified through Internal Audits are addressed through audit recommendations. Additionally, Internal Audit offered input into reactive fraud investigations undertaken in 2020/21, 2021/22 and 2022/23, and carried out an additional audit into supplier bank amendments (AD21-2) in response to a bank mandate fraud.</p>	<p>Resource has been included in the Resources elements of the 2023/24 audit plan for further follow up work relating to the following audit:</p> <ul style="list-style-type: none"> <li>Supplier bank amendments</li> </ul> <p>Additionally, the audit plan is designed to address and identify fraud risks. Delivery of the audit plan will ensure that where risks are identified in the course of audits, recommendations are made to mitigate them.</p> <p>Internal Audit will offer input into reactive investigations to be undertaken in-year (CC22-2).</p>

**Appendix ends**

**PAPER ENDS**