

Appendix 3: Internal Audit Plan 2021/22

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1. Introduction

This Internal Audit plan has been developed in accordance with the Internal Audit Charter and Internal Audit Strategy.

All London Borough of Barking and Dagenham's activities (including outsourced activities) and owned legal entities are within the scope of Internal Audit. Internal Audit determines what areas within its scope should be included within the annual audit plan by adopting an independent risk-based approach. Internal Audit does not necessarily cover all potential scope areas every year.

2. Approach to preparing the Internal Audit plan

The Internal Audit plan has been developed in accordance with the Internal Audit Strategy through:

- Understanding the Council's vision for the borough and its strategic priorities:

Vision: A place people are proud of and want to live, work, study and stay.

Strategic Priorities:

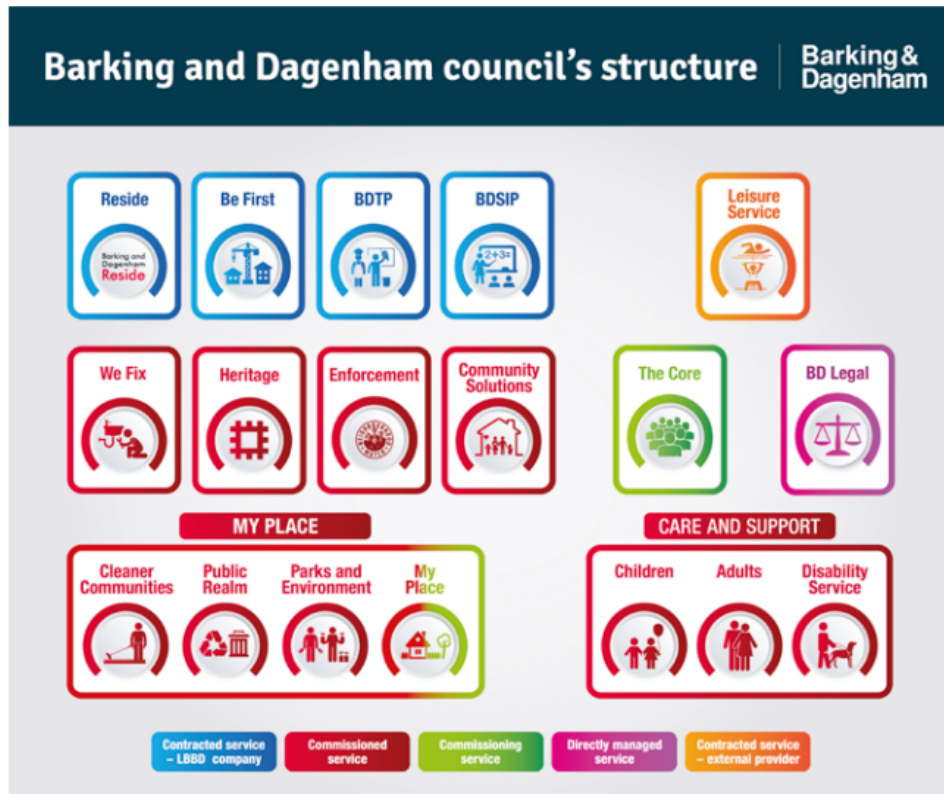
Priority 1: Participation & Engagement - Empowering residents by enabling greater participation in the community and in public services.

Priority 2: Prevention, Independence and Resilience - Children, families and adults in Barking & Dagenham live safe, happy, healthy and independent lives.

Priority 3: Inclusive Growth - Harness the growth opportunity that arises from our people, our land and our location in ways that protect the environment and enhance prosperity, wellbeing and participation for all Barking & Dagenham residents.

Priority 4: Well Run Organisation – Focusing on the efficient and effective operation of the Council itself.

- Identifying the auditable areas within the Council aligned to the 'Service Delivery Blocks':



- Engaging with management throughout the Council to understand key risks, areas of significant change, assurance work to date and other assurance providers. The Head of Assurance has held meetings with the Senior Leadership Team and other senior Council officers during the formation of this plan.
- Engaging with external audit to consult on audit plans and to seek opportunities for co-operation in the conduct of audit work. BDO, the current external auditors, are in the second year of their contract.
- Understanding emerging issues and potential audit areas from sector and assurance knowledge and understanding.

3. Basis of the Internal Audit plan 2021/22

The table below sets out the strategic audit plan by service delivery block, including relevant Internal Audit work from 2016/17, 2017/18, 2018/19, 2019/20 and 2020/21 along with relevant external sources of assurance and the suggested plan for 2021/22.

Audit planning comments	Internal Audit plan 2021/22
Finance	
Previous relevant Internal Audit work: <u>2020/21</u>	<ul style="list-style-type: none"> SFC Compensation Scheme Investment Strategy Covid Grant Payments

<ul style="list-style-type: none"> • Pensions Administration (assurance TBC) • Treasury Management (assurance TBC) • Covid-19 Spend Review (substantial assurance) <p><u>2019/20</u></p> <ul style="list-style-type: none"> • Budgetary Control and Savings Management (reasonable assurance) • Oracle system (Limited Assurance) <p><u>2017/18</u></p> <ul style="list-style-type: none"> • Transformation Governance review including review of the Investment and Acquisitions Strategy programme (N/A) • Insurance (reasonable assurance) <p><u>2016/17</u></p> <ul style="list-style-type: none"> • Treasury Management (substantial assurance) • Pensions (substantial assurance) <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> • External Audit 	<ul style="list-style-type: none"> • Insurance
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Law, Governance and Organisational Change

<p>Previous relevant Internal Audit work:</p> <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Recruitment Governance & Vetting (assurance TBC) • Talent Link System (reasonable assurance) • Overtime Payments (Limited Assurance) • Parking Permits (reasonable assurance) • PCNs (reasonable assurance) • New Parking System (Limited Assurance) <p><u>2019/20</u></p> <ul style="list-style-type: none"> • HR on and off boarding (reasonable assurance) • Payroll (reasonable assurance) • Emergency Planning and Business Continuity (reasonable assurance) 	<ul style="list-style-type: none"> • Payroll • Human Resources • Mandatory Training • New Ways of Working • Agency Recruitment • DBS Checks • Mayor's Account • Members Expenses and Allowances • Bailiff System Implementation • Barking Market • CCTV • Parking Enforcement Follow-up
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<ul style="list-style-type: none"> • Right To Buy Sales & Leasing (Limited Assurance) <p><u>2018/19</u></p> <ul style="list-style-type: none"> • Recruitment (Limited Assurance) • Sickness Absence compliance review (N/A) IR35 compliance (reasonable assurance) • Parking Income Collection (reasonable assurance) • Gifts and Hospitality (reasonable assurance) • Governance (reasonable assurance) • Parking Income Collection (reasonable assurance) <p><u>2017/18</u></p> <ul style="list-style-type: none"> • Payroll (substantial assurance) • Licensing (Limited Assurance) • Planning Enforcement (Limited Assurance) • Transformation Governance review, including review of the Enforcement programme (N/A) • Electoral Registration (substantial assurance) <p><u>2016/17</u></p> <ul style="list-style-type: none"> • Payroll (substantial assurance) • Agency Staff (substantial assurance) • Barking Market (Limited Assurance) • Enforcement – Parking and Street Crime (Limited Assurance) <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> • External audit • Disability Confident Employer accreditation • Investors in People – Gold • Food Standards Agency. • Health and Safety Executive. 	
Strategy and Culture	
<p>Previous relevant Internal Audit work:</p> <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Information Security (assurance TBC) 	<ul style="list-style-type: none"> • ERP Procured System Implementation • Procurement of IT Service Mgmt System

<ul style="list-style-type: none"> • ERP System Replacement Procurement (substantial assurance) • Remote Working Security & Resilience (assurance TBC) • Data Privacy (assurance TBC) <p><u>2019/20</u></p> <ul style="list-style-type: none"> • Key Performance Indicator Monitoring and Reporting (Limited Assurance) • Information Security – initial review (reasonable assurance) • Freedom of Information Requests (Limited Assurance) • Data Transparency (reasonable assurance) • Elevate Contract Exit (reasonable assurance) • Management of Heritage Assets (reasonable assurance) <p><u>2018/19</u></p> <ul style="list-style-type: none"> • IT Risk Diagnostic (N/A) • Information Governance – Subject Access Requests (substantial assurance) • Everyone Active Contract Management (reasonable assurance) • Cyber Security (Limited Assurance) • Brexit Impact (N/A) • Museum Accreditation compliance audit (N/A) <p><u>2017/18</u></p> <ul style="list-style-type: none"> • Transformation Governance review (N/A) • IT Asset Management (reasonable assurance) • Security Framework (Limited Assurance) <p><u>2016/17</u></p> <ul style="list-style-type: none"> • Mobile Phones (substantial assurance) <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> • HSE inspections • SEQOHS accreditation. 	<ul style="list-style-type: none"> • IT Asset Management • IT Availability and Capacity Mngment
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<ul style="list-style-type: none"> • Annual inspections under the Visitor Attraction Quality Service accreditation • Heritage Lottery Fund grant funding monitoring • National Accreditation Scheme for Museums and Galleries • Local Studies Centre's Archive Service Accreditation 	
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Inclusive Growth

<p>Previous relevant Internal Audit work:</p> <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Risk in the Supply Chain (N/A) • Be First Governance (assurance TBC) • NNDR (reasonable assurance) • Transfer of Properties from BeFirst to Reside (assurance TBC) • Climate Change (assurance TBC) <p><u>2019/20</u></p> <ul style="list-style-type: none"> • Accounts Payable (reasonable assurance) • Procurement (reasonable assurance) • Procurement Cards (Limited Assurance) • Retrospective Purchase Orders (N/A) <p><u>2017/18</u></p> <ul style="list-style-type: none"> • Accounts Payable (reasonable assurance) <p><u>2016/17</u></p> <ul style="list-style-type: none"> • Procurement Gainshare (substantial assurance) • Purchasing Cards (Limited Assurance) 	<ul style="list-style-type: none"> • Accounts Payable • Procurement Cards • Procurement of Customer Relationship Management System
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My Place

<p>Previous relevant Internal Audit work:</p> <p><u>2020/21</u></p>	<ul style="list-style-type: none"> • Accuserv - Repairs Management System • Housing Repairs & Maintenance
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- Tenant & Leaseholder Act Requirements (Sect 20) (Limited Assurance)
- LMS - post implementation review (Limited Assurance)
- Tenancy Data (Limited Assurance)
- Safety Compliance Review Work (assurance TBC)

2019/20

- Voids (Limited Assurance)
- Housing System Implementation (N/A)
- Stewardship of Council Vehicles (Limited Assurance)
- Commercial Waste (reasonable assurance)
- Passenger Transport (Limited Assurance)

2018/19

- My Place Procurement and Contract Management (Limited Assurance)
- Asset Management (Limited Assurance)
- Follow-up of Security of Corporate Buildings (rating TBC)
- Commercial Waste (N/A)
- Parks and Grounds Maintenance follow up and compliance audit (reasonable assurance)
- Fleet Management (substantial assurance)

2017/18

- Housing Service Contracts – Responsive Repairs (Limited Assurance)
- Street Lighting Contract (substantial assurance)
- Highways maintenance (reasonable assurance)
- Highways asset management – (reasonable assurance)
- Fire Safety (reasonable assurance)
- Security of Corporate Buildings (Limited Assurance)
- Transformation Governance review, including review of the Public Realm programme (green)

- Subletting Leaseholders
- Be First - Reside - My Place Relationship
- Parking
- Housing Rents

<ul style="list-style-type: none"> • Parks and Grounds Maintenance (N/A) <p><u>2016/17</u></p> <ul style="list-style-type: none"> • Leaseholders (substantial assurance) • Decent Homes (Limited Assurance) • Vehicle workshop (Limited Assurance) <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> • Institute of Cemetery and Crematorium Management – gold standard accreditation 2019 • ROSPA Independent Yearly Playground Inspections 	
Community Solutions	
<p>Previous relevant Internal Audit work:</p> <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Rent Arrears (assurance TBC) • Welfare Reform (assurance TBC) • Early Help (No Assurance) <p><u>2019/20</u></p> <ul style="list-style-type: none"> • Private Sector Housing (substantial assurance) • Accounts Receivable (assurance TBC) • Debt Recovery / Write-off (Limited Assurance) <p><u>2018/19</u></p> <ul style="list-style-type: none"> • Homelessness Reduction Act (reasonable assurance) <p><u>2017/18</u></p> <ul style="list-style-type: none"> • Transformation Governance review, including review of the Community Solutions programme (green) • Council Tax (reasonable assurance) • Housing Rents (Limited Assurance) <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> • 2018 London SCB Review of MASH 	<ul style="list-style-type: none"> • Accounts Receivable • Council Tax • Housing Benefits
People and Resilience	
<p>Previous relevant Internal Audit work:</p>	<ul style="list-style-type: none"> • CM2000 system

2020/21

- Specialist Intervention Service (assurance TBC)
- Youth Offending Team (assurance TBC)
- Social Care Charging Policy (assurance TBC)
- Disability Related Expenditure (reasonable assurance)
- Adoptions Service (assurance TBC)
- Addition Resource Provision (assurance TBC)
- Safeguarding (assurance TBC)
- Special Guardianship Orders (Limited Assurance)
- Education, Health and Care Plans (assurance TBC)
- Homelessness - Southwark Judgement (assurance TBC)

2019/20

- Liquidlogic System Implementation (limited assurance)
- Social Care Forecasting (assurance TBC)
- Public Health Grant (reasonable assurance)
- School Audits

2018/19

- Direct Payments (limited assurance)
- Adoptions (no assurance – improved to reasonable assurance at follow-up)
- Risk Assessment of Schools
- School Audits

2017/18

- Looked After Children (substantial assurance)
- Foster Care (substantial assurance)
- Adaptations Grant Scheme (no assurance, improved to reasonable assurance at follow-up)
- Schools Admissions (substantial assurance)

2016/17

- Mental Health Safeguarding (limited assurance)
- School Audits

- Implementation of Charging Policy
- Financial Assessment Process
- Public Health - internally commissioned services
- Care Leavers
- Specialist Intervention Services
- Children's Savings Accounts

Wholly and Partially Owned Companies (from the Council's risk perspective)	
<p>Previous relevant Internal Audit work:</p> <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Be First Governance (assurance TBC) • Transfer of Properties from Be First to Reside (assurance TBC) • Reside Landlord Compliance (assurance TBC) <p><u>2019/20</u></p> <ul style="list-style-type: none"> • Be First - Capital Programme (N/A) <p><u>2018/19</u></p> <ul style="list-style-type: none"> • Be First – Procurement on behalf of LBBD (reasonable assurance) <p><u>2017/18</u></p> <ul style="list-style-type: none"> • Reside – Housing Rents (Limited Assurance) • Be First - Scheme of Delegation (N/A) • Be First - Community Infrastructure Levy / Section 106 (Limited Assurance) • Be First - Planning Applications (reasonable assurance) <p><u>2016/17</u></p> <ul style="list-style-type: none"> • BDTP - Schools Catering Services & ParentPay (full assurance) 	<ul style="list-style-type: none"> • Be First Procurement • Be First / Reside / My Place Governance & Relationships

4. Internal Audit Plan 2021/22

The audit plan details the draft audit title and draft audit objective or reason for inclusion in the plan.

Audit Title	Days	Reason for Inclusion
Finance		
Sales fees and charges compensation scheme	5	Review and challenge of claimed compensation
Investment Strategy	15	Review of governance and control
Covid Grant Payments	15	Statutory claim review
Insurance	15	Control assessment

Inclusive Growth		
Accounts Payable	15	Key Financial System - risk and control review
Procurement Cards	10	Area of high spend and potentially loose control
Procurement of Customer Relationship Management System	15	Review of procurement practice and control design

Audit Title	Days	Reason for Inclusion
Law, Governance & Organisational Change		
Payroll	15	Key Financial System - risk and control review
Enforcement service - bailiff system implementation	15	New system - design and implementation of controls
Mayor's Account	5	Ensure accuracy of presented statements
Agency Recruitment	12	Review of the governance and operational control
DBS Checks - reporting, recording and renewal	10	High profile and high risk area
Barking Market	15	Controls surrounding payments, agreements, H&S and governance
Parking Enforcement	15	Follow-up of 2020/21 work
CCTV	15	Policies, procedures, use of CCTV, compliance
Well Run Organisation	15	AGS item under continual review
Human Resources	15	Review of key policies, procedures, documentation and systems
Mandatory Training	10	Compliance with corporate expectation
Members Expenses and Allowances	5	Review of controls and operational practice
Community Solutions		
Accounts Receivable	15	Key Financial System - risk and control review
Council Tax	15	Key Financial System - risk and control review
Housing Benefits	15	Key Financial System - risk and control review
My Place		
Accuserv - Repairs Management System	15	Post implementation review of controls and effectiveness
Housing Repairs & Maintenance	15	Review of reporting mechanism via We Fix and BDMS
Subletting Leaseholders	10	Controls to ensure that the appropriate services are informed and income collected
Be First - Reside - My Place Relationship	15	A review of the governance around the working relationships therein
Housing Rents	15	Income collection audit
People and Resilience		
Specialist Intervention Services B/F 2020/21	12	A new Council team that pulls together existing teams in a new model of service delivery
CM2000 system - Brought forward from 2020/21	15	Control design and system implementation
Implementation of Charging Policy	15	Review of the implementation of the revised policy
Financial Assessment Process	15	Review of the controls around assessing client contributions
Public Health - internally commissioned services	15	Review of funding services that have been split and spread around council still funded by PHG. Compliance.

Care Leavers	15	A review of the processes in place for how the Council manages the transition from Children in care to adulthood
Children's Savings Accounts	10	Stewardship controls over vulnerable 3 rd party accounts
Audit Title	Days	Reason for Inclusion
Strategy and Culture		
ERP Implementation - Part 2	20	New system - Replacing Oracle System contract due to end Dec 2021 -
Procurement of IT Service Management System	15	Procurement controls in place for major system
IT Asset Management	15	Review of controls around the asset management system
Brexit	15	AGS item under continual review
Core Transformation	15	AGS item under continual review
IT Availability and Capacity Management	15	Independent review of capacity monitoring systems
Schools		
School Audits	50	Review of control effectiveness in identified schools.
School Follow-ups	5	
Council Owned Companies		
Be First Procurement	15	Review of controls and processes over procurement at Be First
Prior year completion	10	Completion of the 2020/21 audit programme post 31 March 2021.
Prior year annual opinion	5	Drafting of the 2020/21 annual audit opinion.
Annual quality assessment	5	Annual review of Internal Audit against the PSIAS.
Internal Audit methodology review	10	Review and update of the Internal Audit methodology, including review of the Internal Audit Manual
Corporate Governance	15	Drafting the Annual Governance Statement
Grant claims	10	Review and sign off of grant claims where Internal Audit scrutiny is required / requested.
Proactive assurance support and advice	20	Attendance at relevant meetings to provide proactive assurance and advice including Assurance Group and Programme Boards.
Management requests	10	Responding to ad hoc management requests for audit support and advice.
Follow ups	30	Tracking management implementation of agreed action plans for critical and high rated findings; review and validation of evidence provided of implementation.

Audit planning	20	Periodic review and updating of the annual audit plan throughout the year and production of the Internal Audit plan 2022/23.
Committee reporting	10	Quarterly reporting to Assurance Group and Audit & Standards Committee.
External audit engagement and support	15	Engagement with external audit to work collaboratively and delivery of any control assignments identified
Stakeholder engagement	20	Engagement with key stakeholders to understanding of risks, activities and the performance of Internal Audit.
Management time	20	Management time of the audit team and the external provision.
Contingency	51	Contingency for ad hoc activity.
TOTAL DAYS	865	

5. Resource requirement and financial implications

The 2021/22 Internal Audit plan is estimated to consist of 865 days, the same as that agreed for 2020/21. Within the 865 days, contingency of 61 days has been included to allow for unplanned Internal Audit work.

The budget for the full plan has been approved by the Finance Director.

6. Internal Audit opinion

The annual Internal Audit opinion will be based on and limited to the Internal Audits completed over the year and the control objectives agreed for each individual Internal Audit as set out in each Terms of Reference.

In developing the Internal Audit risk assessment and plan, the requirement to produce an annual Internal Audit opinion has been considered by determining the level of Internal Audit coverage over the audit universe and key risks.

7. Changes to the plan

The plan is a live document and therefore audits will be added and removed to the plan where there are significant changes, including changes to activities, risks and assurances. Quarterly updates to Assurance Group and the Audit and Standards Committee throughout the year will include details of changes to the plan.

It may also be the case that more changes are necessary to the agreed audit plan than normal as 2021/22 develops. The Council's continued response to the COVID-19 crisis will create a demand for new and unforeseen audits and the plan may also change according to service disruption. It may also be the case that staff become unavailable through sickness or redeployment. That said, the Corporate Assurance Group have acknowledged that audit remains a vital function of the Council.