

Appendix 3: Internal Audit Plan 2023/24

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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 companies 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 current strategic priorities:

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

Strategic Priorities:

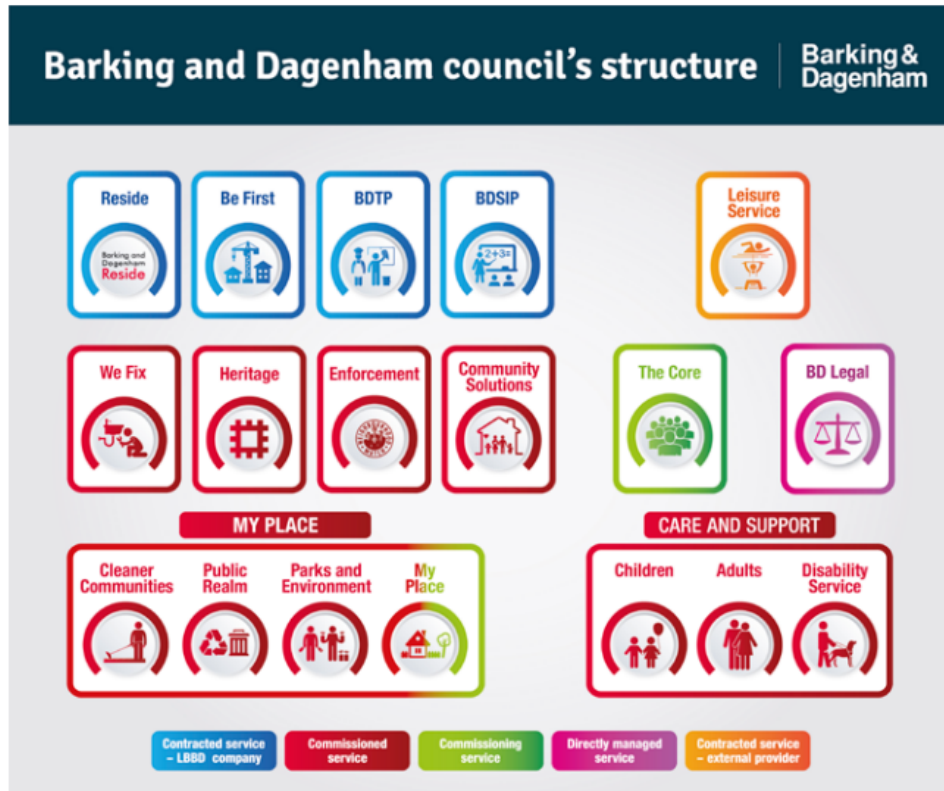
Priority 1: Participation & Engagement - Empowering residents by enabling greater participation in the community and in public services.

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 fourth 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 2023/24

The table below sets out the strategic audit plan by service delivery block, including relevant Internal Audit work from 2018/19 to 2022/23 along with relevant external sources of assurance and the suggested plan for 2023/24.

| Audit planning comments | Internal Audit plan 2023/24 |
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| Finance (incl. IT) | |
| Previous relevant Internal Audit work: <u>2022/23</u> <ul style="list-style-type: none"> General Ledger (assurance TBC) Pension Fund Investments (assurance TBC) Capital Programme (assurance TBC) | <ul style="list-style-type: none"> Grant Income Review Pensions Administration General Ledger & Budgetary Control Value Added Tax Systems Logical Access Review Third Party IT Contracts |

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| <ul style="list-style-type: none"> • ERP Post Implementation Review (assurance TBC) • Geographical Information System Review (reasonable assurance) • Cyber Essential Plus (assurance TBC) <p><u>2021/22</u></p> <ul style="list-style-type: none"> • Sales, Fees and Charges Compensation Scheme (N/A) • Investment Strategy (Limited Assurance) • Covid Grant Payments (substantial assurance) • Insurance (reasonable assurance) • ERP Implementation (substantial assurance) • IT Service Management Procurement (reasonable assurance) • IT Asset Management (reasonable assurance) • Brexit & Covid Impact (limited assurance) • Core Transformation (reasonable assurance) • Cloud IT Provider (reasonable assurance) • <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Pensions Administration (reasonable assurance) • Treasury Management (substantial assurance) • Covid-19 Spend Review (substantial assurance) • Information Security (limited assurance) • 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"> • Budgetary Control and Savings Management (reasonable assurance) • Oracle system (Limited Assurance) • Information Security – initial review (reasonable assurance) <p><u>2018/19</u></p> <ul style="list-style-type: none"> • IT Risk Diagnostic (N/A) | <ul style="list-style-type: none"> • Antivirus & Malware • Identity & Access Management • Payment Card Industry Data Security Standard - PCIDSS |
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| <ul style="list-style-type: none"> Information Governance – Subject Access Requests (substantial assurance) <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> External Audit | |
| Law, Governance and Organisational Change | |
| <p>Previous relevant Internal Audit work:</p> <ul style="list-style-type: none"> Payroll & Expenses (assurance TBC) Enforcement service - bailiff system implementation (assurance TBC) Licencing Trading Standards (substantial assurance) Sickness & Absence Management (assurance TBC) Right to Work in UK - Post Brexit (EU Citizens) (assurance TBC) Electoral Program (reasonable assurance) Mayor's Charity Account (substantial assurance) <p><u>2021/22</u></p> <ul style="list-style-type: none"> Payroll (reasonable assurance) Mayor's Account (N/A) HR Service Desk System (reasonable assurance) DBS Checks (reasonable assurance) Barking Market (reasonable assurance) Parking Enforcement (reasonable assurance) CCTV Operation (Limited Assurance) Human Resources (Limited Assurance) Mandatory Training (Limited Assurance) Members Expenses & Allowances (N/A) Parking Legislation Review (Limited Assurance) <p><u>2020/21</u></p> <ul style="list-style-type: none"> Recruitment Governance & Vetting (reasonable assurance) Talent Link System (reasonable assurance) Overtime Payments (Limited Assurance) Parking Permits (reasonable assurance) PCNs (reasonable assurance) | <ul style="list-style-type: none"> Mayor's Charity Account Gifts & Hospitality - Staff Payroll HR - Working Patterns Onboarding Process Access To Work Settlement Agreements Health & Safety Workforce Governance |

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| <ul style="list-style-type: none"> • 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) • 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>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. | |
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| <p>Previous relevant Internal Audit work:</p> <p><u>2021/22</u></p> <ul style="list-style-type: none"> • Well Run Organisation (reasonable assurance) <p><u>2020/21</u></p> <p><u>2019/20</u></p> <ul style="list-style-type: none"> • Key Performance Indicator Monitoring and Reporting (Limited Assurance) • Freedom of Information Requests (Limited Assurance) • Data Transparency (reasonable assurance) | |
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| <ul style="list-style-type: none"> • Elevate Contract Exit (reasonable assurance) • Management of Heritage Assets (reasonable assurance) <p><u>2018/19</u></p> <ul style="list-style-type: none"> • Everyone Active Contract Management (reasonable assurance) • Cyber Security (Limited Assurance) • Brexit Impact (N/A) • Museum Accreditation compliance audit (N/A) <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> • HSE inspections • SEQOHS accreditation. • 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 | |
| Inclusive Growth | |
| <p>Previous relevant Internal Audit work:</p> <p><u>2022/23</u></p> <ul style="list-style-type: none"> • Accounts Payable <p><u>2021/22</u></p> <ul style="list-style-type: none"> • Accounts Payable (reasonable assurance) • Procurement Cards (limited assurance) • BDMS Charging Mechanism (assurance TBC) • Climate Change (N/A) • Customer Relationship System (reasonable assurance) <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Risk in the Supply Chain (N/A) • Be First Governance (reasonable assurance) • NNDR (reasonable assurance) • Transfer of Properties from BeFirst to Reside (reasonable assurance) <p><u>2019/20</u></p> | <ul style="list-style-type: none"> • Accounts Payable • Planning & Building Control • ESG • Social Value |

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| <ul style="list-style-type: none"> • Accounts Payable (reasonable assurance) • Procurement (reasonable assurance) • Procurement Cards (Limited Assurance) • Retrospective Purchase Orders (N/A) | |
| My Place | |
| <p>Previous relevant Internal Audit work:</p> <p><u>2022/23</u></p> <ul style="list-style-type: none"> • Frizlands Workshop: Heavy Vehicle & Drivers Safety Review (assurance TBC) • Passenger Transport - Sen (assurance TBC) • Waste Collections - Trade Waste (reasonable assurance) • Waste Management - Staff Health & Safety (assurance TBC) • Housing Void Management (assurance TBC) • Housing Register & Allocation Review (reasonable assurance) • Be First - Reside - My Place Relationship b/f 21-22 (Limited Assurance) • Leasehold Management - revenue and capital service charges (Limited Assurance) • Right to Buy Valuations (Limited Assurance) • Subletting Leaseholders - full follow-up (assurance TBC) • Housing Rent Setting Review - excluding rent collection (assurance TBC) <p><u>2021/22</u></p> <ul style="list-style-type: none"> • Accuserv System (limited assurance) • Compliance Health Check (N/A) • Housing Repairs & Maintenance (No Assurance) • Subletting Leaseholders (No Assurance) • Housing Rents (reasonable assurance) <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Tenant & Leaseholder Act Requirements (Sect 20) (Limited Assurance) • LMS - post implementation review (Limited Assurance) • Tenancy Data (Limited Assurance) • Safety Compliance Review Work (N/A) <p><u>2019/20</u></p> | <ul style="list-style-type: none"> • Housing Repairs & Maintenance • BDMS • Damp and Mould • Commercial Rents • Land & Building Valuations • Housing Rent Setting & Adjustment - C/F • Fire Safety - Housing Stock • Asset Management |

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| <ul style="list-style-type: none"> • Voids (Limited Assurance) • Housing System Implementation (N/A) • Stewardship of Council Vehicles (Limited Assurance) • Commercial Waste (reasonable assurance) • Passenger Transport (Limited Assurance) <p><u>2018/19</u></p> <ul style="list-style-type: none"> • 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) <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> • Pennington Choices review of Landlord Compliance • Social Housing Regulator opinion • 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>2022/23</u></p> <ul style="list-style-type: none"> • Accounts Receivable (limited assurance) • Homelessness (reasonable assurance) • Domestic Violence Service (assurance TBC) <p><u>2021/22</u></p> <ul style="list-style-type: none"> • Accounts Receivable (limited assurance) • Housing Benefits (substantial assurance) • Council Tax (reasonable assurance) <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Rent Arrears (substantial assurance) • Welfare Reform (substantial assurance) • Early Help (No Assurance) <p><u>2019/20</u></p> | <ul style="list-style-type: none"> • Accounts Receivable • Cost of Living Crisis • Community Hubs • Council Tax • NNDR • Development of Civil Society |

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| <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>Other relevant assurance providers:</p> <ul style="list-style-type: none"> • 2018 London SCB Review of MASH | |
| People and Resilience | |
| <p>Previous relevant Internal Audit work:</p> <p><u>2022/23</u></p> <ul style="list-style-type: none"> • Direct Payments (assurance TBC) • Planning for School Places (substantial assurance) • Adult Care Deferred Payments (assurance TBC) • Supporting Families Programme (substantial assurance) • Special Education Needs & Disability (assurance TBC) • Early Help KPI Monitoring & Reporting (assurance TBC) • LAC Savings Accounts (assurance TBC) <p><u>2021/22</u></p> <ul style="list-style-type: none"> • Specialist Intervention Service (reasonable assurance) • Financial Assessments (reasonable assurance) • Social Care Charging Policy (reasonable assurance) • Public Health – internally commissioned services (Limited Assurance) • Care Leavers (reasonable assurance) <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Youth Offending Team (reasonable assurance) • Disability Related Expenditure (reasonable assurance) • Adoptions Service (reasonable assurance) • Addition Resource Provision (reasonable assurance) • Special Guardianship Orders (Limited Assurance) • Education, Health and Care Plans (reasonable assurance) | <ul style="list-style-type: none"> • Special Educational Needs & Disabilities • TBC |

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| <ul style="list-style-type: none"> • Homelessness - Southwark Judgement (substantial assurance) <p><u>2019/20</u></p> <ul style="list-style-type: none"> • Liquidlogic System Implementation (limited assurance) • Social Care Forecasting (assurance TBC) • Public Health Grant (reasonable assurance) • School Audits <p><u>2018/19</u></p> <ul style="list-style-type: none"> • Direct Payments (limited assurance) • Adoptions (no assurance – improved to reasonable assurance at follow-up) • Risk Assessment of Schools • School Audits <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> • Ofsted • Care Quality Commission | |
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4. Internal Audit Plan 2023/24

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

| Audit Title | Days | Focus of Scope |
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| Finance & IT | | |
| Grant Income Review | 10 | Review of process, control and certification for government grants |
| Systems Logical Access Review | 15 | Access controls for key systems |
| Third Party IT Contracts | 15 | Contract management and monitoring |
| Antivirus & Malware | 15 | Protection of IT systems |
| Identity & Access Management | 15 | Issuing and managing digital identities |
| Pension Administration | 15 | Service review |
| General Ledger & Budgetary Control | 15 | Key Financial System – control design & effectiveness |
| Value Added Tax | 15 | Recovery and accounting |
| Payment Card Industry Data Security Standard - PCIDSS | 15 | Retained risk |
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| Inclusive Growth | | |
| Accounts Payable | 15 | Key Financial System – control design & effectiveness |

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| Planning & Building Control | 20 | Review of statutory responsibilities |
| Environmental Social Governance | 15 | Review reporting metrics for relevancy, accuracy, timeliness, and consistency. |
| Social Value | 10 | Measuring, evaluating, monitoring and reporting of SV |
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| Law, Governance & Organisational Change | | |
| Mayor's Charity Account | 5 | Review of expenditure and certification |
| Gifts & Hospitality - Staff | 10 | Controls to ensure gifts are appropriately declared and dealt with |
| Payroll | 15 | Key Financial System – control design & effectiveness |
| Onboarding Process | 15 | Managers' use of system incorporating probation |
| Workforce Governance | 15 | Revised ways of working |
| Access To Work | 10 | Authorisation, approval and reclaim of costs |
| Settlement Agreements | 15 | Governance and approval processes |
| Health & Safety | 15 | Review of compliance, monitoring and reporting |
| HR - Working Patterns | 10 | Management control over working patterns |
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| Community Solutions | | |
| Accounts Receivable | 15 | Key Financial System – control design & effectiveness |
| Cost of Living Crisis | 15 | Delivery of government schemes |
| Community Hubs | 10 | As identified on risk registers |
| Council Tax | 15 | Key Financial System – control design & effectiveness |
| NNDR | 15 | Key Financial System – control design & effectiveness |
| Development of Civil Society | 15 | Review of approach to corporate risk mitigation |
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| My Place | | |
| Housing Repairs & Maintenance | 15 | No Assurance in previous year |
| BDMS | 15 | Operation of relationship with My Place |
| Damp and Mould | 10 | Review of responsibilities and actions |
| Commercial Rents | 15 | Setting and monitoring of rental income |
| Land & Building Valuations | 15 | Controls to ensure accurate and valid valuations |
| Housing Rent Setting & Adjustment | 15 | Setting of HRA rents |
| Fire Safety - Housing Stock | 15 | Review of responsibilities and actions |
| Asset Management | 20 | Discharge of responsibilities to maintain public assets |
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| People and Resilience | | |
| Special Education Needs & Disability | 15 | Focus on areas of improvement |
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| Schools | | |
| School Audits | 50 | School probity review of whole business area |
| School Follow-ups | 5 | Review of last year's agreed actions |
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| Prior year completion | 20 | Completion of the 2022/23 audit programme post 31 March 2023. |
| Prior year annual opinion | 5 | Drafting of the 2022/23 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 |

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| Grant claims | 10 | Drafting the Annual Governance Statement |
| Proactive assurance support and advice | 50 | Review and sign-off of grant claims where Internal Audit scrutiny is required / requested. |
| Corporate Governance | 15 | Attendance at relevant meetings to provide proactive assurance and advice including Assurance Board 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 2024/25. |
| Committee reporting | 5 | Quarterly reporting to Assurance Board 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 | 65 | Contingency for ad hoc activity. |
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| TOTAL DAYS | 865 | |

5. Resource requirement and financial implications

The 2023/24 Internal Audit plan is estimated to consist of 865 days, the same as that agreed for 2022/23. Within the 865 days, contingency of 65 days has been included to allow for unplanned Internal Audit work.

The budget for the full plan has been approved by the Strategic Director, Finance and Investment.

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 Board and the Audit and Standards Committee throughout the year will include details of changes to the plan.