

## Appendix 3: Internal Audit Plan 2020/21

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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 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 themes and priorities:

**Vision:** One borough; one community; no-one left behind.

#### **Themes and Priorities:**

Theme 1: A New Kind of Council

Priorities:

1. Build a well-run organisation
2. Ensure relentlessly reliable services
3. Develop place-based partnerships

Theme 2: Empowering People

Priorities:

1. Enable greater independence whilst protecting the most vulnerable
2. Strengthen our services for all
3. Intervene earlier

Theme 3: Inclusive Growth

Priorities:

1. Develop our aspirational and affordable housing offer
2. Shape great places and strong communities through regeneration
3. Encourage enterprise and enable employment

Theme 4: Citizenship and Participation

Priorities:

1. Harness culture and increase opportunity
2. Encourage civic pride and social responsibility
3. Strengthen partnerships, participation and a place-based approach

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



\* "Public Realm" is the terminology being used in practice for "Clean and Green".

- 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 2020/21

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 and 2019/20, relevant external sources of assurance and the suggested plan for 2020/21.

Audit planning comments	Internal Audit plan 2020/21
<b>The Core – Finance</b>	
Previous relevant Internal Audit work: <u>2019/20</u> <ul style="list-style-type: none"> <li>Budgetary Control and Savings Management (assurance TBC)</li> <li>Budgetary Control &amp; Savings Management (assurance TBC)</li> <li>Oracle system (assurance TBC)</li> </ul> <u>2017/18</u> <ul style="list-style-type: none"> <li>Transformation Governance review including review of the Investment and Acquisitions Strategy programme (N/A)</li> <li>Insurance (reasonable assurance)</li> </ul>	<ul style="list-style-type: none"> <li>ERP</li> <li>Pensions Administration</li> <li>Treasury Management</li> </ul>

<p><u>2016/17</u></p> <ul style="list-style-type: none"> <li>• Treasury Management (substantial assurance)</li> <li>• Pensions (substantial assurance)</li> </ul> <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> <li>• External audit</li> </ul>	
<b>The Core – HR and Payroll</b>	
<p>Previous relevant Internal Audit work:</p> <p><u>2019/20</u></p> <ul style="list-style-type: none"> <li>• HR on and off boarding (assurance TBC)</li> <li>• Payroll (reasonable assurance)</li> </ul> <p><u>2018/19</u></p> <ul style="list-style-type: none"> <li>• Recruitment (Limited Assurance)</li> <li>• Sickness Absence compliance review (N/A)</li> <li>IR35 compliance (reasonable assurance)</li> </ul> <p><u>2017/18</u></p> <ul style="list-style-type: none"> <li>• Payroll (substantial assurance)</li> </ul> <p><u>2016/17</u></p> <ul style="list-style-type: none"> <li>• Payroll (substantial assurance)</li> <li>• Agency Staff (substantial assurance)</li> </ul> <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> <li>• External audit</li> <li>• Disability Confident Employer accreditation</li> </ul>	<ul style="list-style-type: none"> <li>• Recruitment Governance &amp; Vetting</li> <li>• Talent Link System</li> <li>• Overtime Payments</li> </ul>
<b>The Core – other corporate processes</b>	
<p>Previous relevant Internal Audit work:</p> <p><u>2019/20</u></p> <ul style="list-style-type: none"> <li>• Key Performance Indicator Monitoring and Reporting (Limited Assurance)</li> <li>• Public Health Grant (reasonable assurance)</li> <li>• Information Security – initial review (reasonable assurance)</li> <li>• Freedom of Information Requests (Limited Assurance)</li> <li>• Data Transparency (reasonable assurance)</li> </ul> <p><u>2018/19</u></p> <ul style="list-style-type: none"> <li>• Information Governance – Subject Access Requests (substantial assurance)</li> <li>• Cyber Security (Limited Assurance)</li> <li>• Gifts and Hospitality (reasonable assurance)</li> <li>• Governance (reasonable assurance)</li> <li>• Brexit Impact (N/A)</li> <li>• Follow-up of Security of Corporate Buildings (rating TBC)</li> </ul>	<ul style="list-style-type: none"> <li>• Climate Change</li> <li>• Risk in the Supply Chain</li> <li>• Information Security Part 2</li> <li>• Contact Centre</li> </ul>

<p><u>2017/18</u></p> <ul style="list-style-type: none"> <li>• Transformation Governance review (N/A)</li> <li>• Fire Safety (reasonable assurance)</li> <li>• Security of Corporate Buildings (Limited Assurance)</li> <li>• Electoral Registration (substantial assurance)</li> </ul> <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> <li>• HSE inspections</li> <li>• SEQOHS accreditation.</li> </ul>	
<b>We Fix</b>	
<p>Previous relevant Internal Audit work:</p> <p><u>2019/20</u></p> <ul style="list-style-type: none"> <li>• Voids (Limited Assurance)</li> <li>• Stewardship of Council Vehicles (limited assurance)</li> <li>• 2017/18 - Housing Service Contracts – Responsive Repairs (Limited Assurance)</li> <li>• 2016/17 - Decent Homes (Limited Assurance)</li> </ul>	No specific audit requirements for 2020/21.
<b>Leisure</b>	
<p>Previous relevant Internal Audit work:</p> <ul style="list-style-type: none"> <li>• 2018/19 - Everyone Active Contract Management (reasonable assurance)</li> </ul>	No specific audit requirements for 2020/21.
<b>Elevate – ICT</b>	
<p>Previous relevant Internal Audit work:</p> <p><u>2018/19</u></p> <ul style="list-style-type: none"> <li>• IT Risk Diagnostic (N/A)</li> </ul> <p><u>2017/18</u></p> <ul style="list-style-type: none"> <li>• IT Asset Management (reasonable assurance)</li> <li>• Security Framework (Limited Assurance)</li> </ul> <p><u>2016/17</u></p> <ul style="list-style-type: none"> <li>• Mobile Phones (substantial assurance)</li> </ul>	No specific audit requirements for 2020/21.
<b>Elevate – Revenues and Benefits</b>	
<p>Previous relevant Internal Audit work:</p> <p><u>2019/20</u></p> <ul style="list-style-type: none"> <li>• Accounts Receivable (assurance TBC)</li> <li>• Debt Recovery / Write-off (Limited Assurance)</li> <li>• Elevate Contract Exit (reasonable assurance)</li> </ul> <p><u>2018/19</u></p>	<ul style="list-style-type: none"> <li>• NNDR</li> </ul>

<ul style="list-style-type: none"> <li>• Parking Income Collection (reasonable assurance) <u>2017/18</u></li> <li>• Council Tax (reasonable assurance)</li> <li>• Housing Rents (Limited Assurance)</li> </ul>	
<b>Elevate – Procurement and Accounts payable</b>	
<p>Previous relevant Internal Audit work: <u>2019/20</u></p> <ul style="list-style-type: none"> <li>• Accounts Payable (reasonable assurance)</li> <li>• Elevate Contract Exit (reasonable assurance)</li> <li>• Procurement (reasonable assurance)</li> <li>• Procurement Cards (Limited Assurance)</li> <li>• Retrospective Purchase Orders (assurance TBC) <u>2017/18</u></li> <li>• Accounts Payable (reasonable assurance) <u>2016/17</u></li> <li>• Procurement Gainshare (substantial assurance)</li> <li>• Purchasing Cards (Limited Assurance)</li> </ul>	<p>No specific audit requirements for 2020/21.</p>
<b>Heritage</b>	
<ul style="list-style-type: none"> <li>• 2019/20 – Management of Heritage Assets (assurance TBC)</li> <li>• 2018/19 - Museum Accreditation compliance audit (N/A)</li> </ul> <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> <li>• Annual inspections under the Visitor Attraction Quality Service accreditation</li> <li>• Heritage Lottery Fund grant funding monitoring</li> <li>• National Accreditation Scheme for Museums and Galleries</li> <li>• Local Studies Centre’s Archive Service Accreditation</li> </ul>	<p>No specific audit requirements for 2020/21.</p>
<b>Enforcement</b>	
<p>Previous relevant Internal Audit work: <u>2019/20</u></p> <ul style="list-style-type: none"> <li>• Emergency Planning and Business Continuity (reasonable assurance) <u>2018/19</u></li> <li>• Parking Income Collection (reasonable assurance) <u>2017/18</u></li> <li>• Licensing (Limited Assurance)</li> <li>• Planning Enforcement (Limited Assurance)</li> </ul>	<ul style="list-style-type: none"> <li>• Parking Permits</li> <li>• PCNs</li> <li>• Barking Market</li> <li>• Body Worn Equipment</li> <li>• New Parking System</li> </ul>

<ul style="list-style-type: none"> <li>Transformation Governance review, including review of the Enforcement programme (N/A) <u>2016/17</u></li> <li>Barking Market (Limited Assurance)</li> <li>Enforcement – Parking and Street Crime (Limited Assurance)</li> </ul> <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> <li>Food Standards Agency.</li> <li>Health and Safety Executive.</li> </ul>	
<b>BDT Legal</b>	
<p>Previous relevant Internal Audit work:</p> <ul style="list-style-type: none"> <li>2019/20 – Right To Buy Sales &amp; Leasing (limited assurance)</li> </ul> <p>No relevant assurance work identified in 2016/17, 2017/18 or 2018/19.</p>	<p>No specific audit requirements for 2020/21.</p>
<b>Public Realm</b>	
<p>Previous relevant Internal Audit work:</p> <ul style="list-style-type: none"> <li><u>2019/20</u></li> <li>Commercial Waste (reasonable assurance)</li> <li>Passenger Transport (limited assurance)</li> <li><u>2018/19</u></li> <li>Commercial Waste (N/A)</li> <li>Parks and Grounds Maintenance follow up and compliance audit (reasonable assurance)</li> <li>Fleet Management (substantial assurance)</li> <li><u>2017/18</u></li> <li>Transformation Governance review, including review of the Public Realm programme (green)</li> <li>Parks and Grounds Maintenance (N/A) <u>2016/17</u></li> <li>Vehicle workshop (Limited Assurance)</li> </ul> <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> <li>Institute of Cemetery and Crematorium Management – gold standard accreditation 2019</li> </ul>	<p>No specific audit requirements for 2020/21.</p>
<b>My Place</b>	
<p>Previous relevant Internal Audit work:</p> <ul style="list-style-type: none"> <li><u>2019/20</u></li> <li>Voids (Limited Assurance)</li> <li>Housing System Implementation (N/A)</li> </ul>	<ul style="list-style-type: none"> <li>Building/Fire Safety</li> <li>Tenant &amp; Leaseholder Act Requirements</li> </ul>

<p><u>2018/19</u></p> <ul style="list-style-type: none"> <li>• My Place Procurement and Contract Management (limited assurance)</li> <li>• Asset Management (limited assurance)</li> </ul> <p><u>2017/18</u></p> <ul style="list-style-type: none"> <li>• Housing Service Contracts – Responsive Repairs (limited assurance)</li> <li>• Street Lighting Contract (substantial assurance)</li> <li>• Highways maintenance (reasonable assurance)</li> <li>• Highways asset management – (reasonable assurance)</li> </ul> <p><u>2016/17</u></p> <ul style="list-style-type: none"> <li>• Leaseholders (substantial assurance)</li> <li>• Decent Homes (Limited Assurance)</li> <li>• Barking Market (Limited Assurance)</li> </ul> <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> <li>• ROSPA Independent Yearly Playground Inspections</li> </ul>	<ul style="list-style-type: none"> <li>• Transfer of Properties from Reside</li> <li>• LMS - post implementation review</li> <li>• Tenancy Data Quality</li> </ul>
<b>Community Solutions</b>	
<p>Previous relevant Internal Audit work:</p> <ul style="list-style-type: none"> <li>• 2019/20 – Private Sector Housing (assurance TBC)</li> <li>• 2018/19 - Homelessness Reduction Act (reasonable assurance)</li> <li>• 2017/18 - Transformation Governance review, including review of the Community Solutions programme (green)</li> </ul> <p>Other relevant assurance providers:</p> <ul style="list-style-type: none"> <li>• 2018 London SCB Review of MASH</li> </ul>	<ul style="list-style-type: none"> <li>• Homelessness &amp; Temporary Accommodation</li> <li>• Rent Arrears</li> <li>• Welfare Reform</li> <li>• Over/Under Occupation</li> </ul>
<b>Care and Support – Children’s (including children’s disability service)</b>	
<p>Previous relevant Internal Audit work:</p> <p><u>2019/20</u></p> <ul style="list-style-type: none"> <li>• School Audits</li> </ul> <p><u>2018/19</u></p> <ul style="list-style-type: none"> <li>• Adoptions (no assurance – improved to reasonable assurance at follow-up)</li> <li>• Risk Assessment of Schools</li> <li>• School Audits</li> </ul> <p><u>2017/18</u></p> <ul style="list-style-type: none"> <li>• Looked After Children (substantial assurance)</li> <li>• Foster Care (substantial assurance)</li> <li>• Schools Admissions (substantial assurance)</li> </ul> <p><u>2016/17</u></p> <ul style="list-style-type: none"> <li>• School Audits</li> </ul>	<ul style="list-style-type: none"> <li>• Specialist Intervention Service</li> <li>• Youth Offending Team</li> <li>• Adoptions Service</li> <li>• ARPs Safeguarding</li> <li>• Pupil Referral Unit</li> <li>• Special Guardianship Orders</li> <li>• Education, Health and Care Plans</li> <li>• Homelessness - Southwark Judgement</li> </ul>

<b>Care and Support – Adults (including adult’s disability service)</b>	
Previous relevant Internal Audit work: <u>2019/20</u> <ul style="list-style-type: none"> <li>• Liquidlogic System Implementation (limited assurance)</li> <li>• Social Care Forecasting (assurance TBC)</li> <li>• 2018/19 audit of Direct Payments (limited assurance)</li> <li>• 2017/18 - Adaptations Grant Scheme (no assurance, improved to reasonable assurance at follow-up)</li> <li>• 2016/17 audit of Mental Health Safeguarding (limited assurance)</li> </ul>	<ul style="list-style-type: none"> <li>• Direct Payments</li> <li>• Liberty Protection Safeguards</li> <li>• Charging Policy</li> <li>• Disability Relief Entitlement</li> <li>• CM2000 system</li> </ul>
<b>Traded Entities (from the Council’s risk perspective)</b>	
Previous relevant Internal Audit work: <u>2019/20</u> <ul style="list-style-type: none"> <li>• Be First - Capital Programme (assurance TBC)</li> </ul> <u>2018/19</u> <ul style="list-style-type: none"> <li>• Be First – Procurement on behalf of LBBB (reasonable assurance)</li> </ul> <u>2017/18</u> <ul style="list-style-type: none"> <li>• Reside – Housing Rents (Limited Assurance)</li> <li>• Be First - Scheme of Delegation (N/A)</li> <li>• Be First - Community Infrastructure Levy / Section 106 (Limited Assurance)</li> <li>• Be First - Planning Applications (reasonable assurance)</li> </ul> <u>2016/17</u> <ul style="list-style-type: none"> <li>• BDTP - Schools Catering Services &amp; ParentPay (full assurance)</li> </ul>	<ul style="list-style-type: none"> <li>• Be First Governance</li> </ul>

#### 4. Internal Audit plan 2020/21

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

<b>Audit Title</b>	<b>Days</b>	<b>Reason for Inclusion</b>
Specialist Intervention Service	15	A new Council team that pulls together existing teams in a new model of service delivery
Youth Offending Team	15	New national standards
Direct Payments	10	Link with PWC Investment Fund
Liberty Protection Safeguards	10	Replacement of Deprivation of Liberty Standards under Mental Capacity (Amendment) Bill



Charging Policy	15	Review of new policy introduced in 2019/21
Disability Relief Entitlement	15	Development and implementation of new policy
CM2000 system	15	Input into IT project for new Homecare system
Adoptions Service	15	Review of the operation of the Regional Adoptions Agency since resources transferred in 2019/20
ARPs Safeguarding	15	High profile area
Pupil Referral Unit	5	No previous coverage
Special Guardianship Orders	15	Risk area deferred from 2019/20 as agreed by ASC
Education, Health and Care Plans	15	Risk area deferred from 2019/20 as agreed by ASC
Homelessness - Southwark Judgement	15	Approach to children who present themselves as being homeless or at risk of homelessness. High profile.
<b>Audit Title</b>	<b>Days</b>	<b>Reason for Inclusion</b>
Risk and transparency in the Supply Chain	15	Assessment of whether LBBB understand and monitor risks in the supply chain that could affect our own risk, delivery and reputation
Homelessness & Temporary Accommodation	15	Homelessness Reduction Act – high profile
Rent Arrears	15	Assessment of whether rent collection and arrears processes are robust and are being complied with.
Welfare Reform	15	Cumulative impact and overarching management of the different projects and their consequences
Over/Under Occupation	15	Managing inefficient use of the Council stock
Be First Governance	15	Balancing autonomy and governance requirements.
Information Security Part 2	15	Agreed next steps in review of information security and governance
Contact Centre	10	Review of internal control, practice and procedure. Support control design for new service head
NNDR	15	High profile area of income collection
Parking Permits	15	Review of control operation in new and existing CPZs
PCNs	15	Review of quality of PCNs - processes, recovery, appeals, cancellations. High profile area
Barking Market	10	Controls surrounding payments, agreements, H&S, governance
Body Worn Equipment	15	Guidance, process controls, regulatory considerations
New Parking System	15	Input into IT project for new Parking system
ERP	20	Input into IT project for new Parking system
Pensions Administration	15	Control assessment in high profile area
Treasury Management	15	Control assessment in high profile area
Recruitment Governance & Vetting	15	A review of the existing controls and control redesign where necessary
Talent Link System	10	Control assessment in high profile area
Overtime Payments	15	Review of controls regarding high profile payments
Building/Fire Safety	15	A review of the LBBB approach to a high risk area in the light of the Hackett Report amongst others
Tenant & Leaseholder Act Requirements	15	Review of Section 20 consultations to maximise income collection and safeguard reputation
Transfer of Properties to Reside	20	Control design of the process by which properties transfer ownership
LMS - post implementation review	10	Post implementation review of the new Housing system
Tenancy Data Quality	15	Review of controls in place to ensure that data held is current and accurate

Climate Change	10	UK declared climate emergency - air pollution, carbon & energy reduction, recycling, electric charging points etc.
School Audits	50	Review of control effectiveness in identified schools.
School Follow-ups	5	
Prior year completion	10	Completion of the 2019/20 audit programme post 31 March 2020.
Prior year annual opinion	5	Drafting of the 2019/20 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 and drafting of the quality assurance and improvement programme.
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 2020/21.
Committee reporting	5	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 by external audit to reduce the external audit costs.
Stakeholder engagement	20	Engagement with key stakeholders including ongoing updates to understanding of keys, activities and the performance of internal audit.
Management time	20	Management time of the audit team and the external provision.
Contingency	80	Contingency for ad hoc activity.

## 5. Resource requirement and financial implications

The 2020/21 Internal Audit plan is estimated to consist of 865 days, the same as that agreed for 2019/20. Within the 865 days, contingency of 80 days has been included to allow for unplanned Internal Audit work. This level of contingency is less than that agreed for 2019/20, a reflection of the Head of Assurance's greater understanding of the risk environment following his first full year in post but still enough to allow Internal Audit to respond quickly to emerging and changing risks.

The budget for the full plan has been approved by the Chief Operating Officer.

## 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 2020/21 develops. The Council's response to the Covid-19 crisis will create a demand for new and unforeseen audits and the plan may also change with some services being closed and many disrupted. It may also be the case that staff become unavailable through sickness or redeployment. That said, the Assurance Board have acknowledged that audit remains a vital function of the Council.