**Appendix 3: Internal Audit Plan 2022/23**

**Contents:**

## 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.
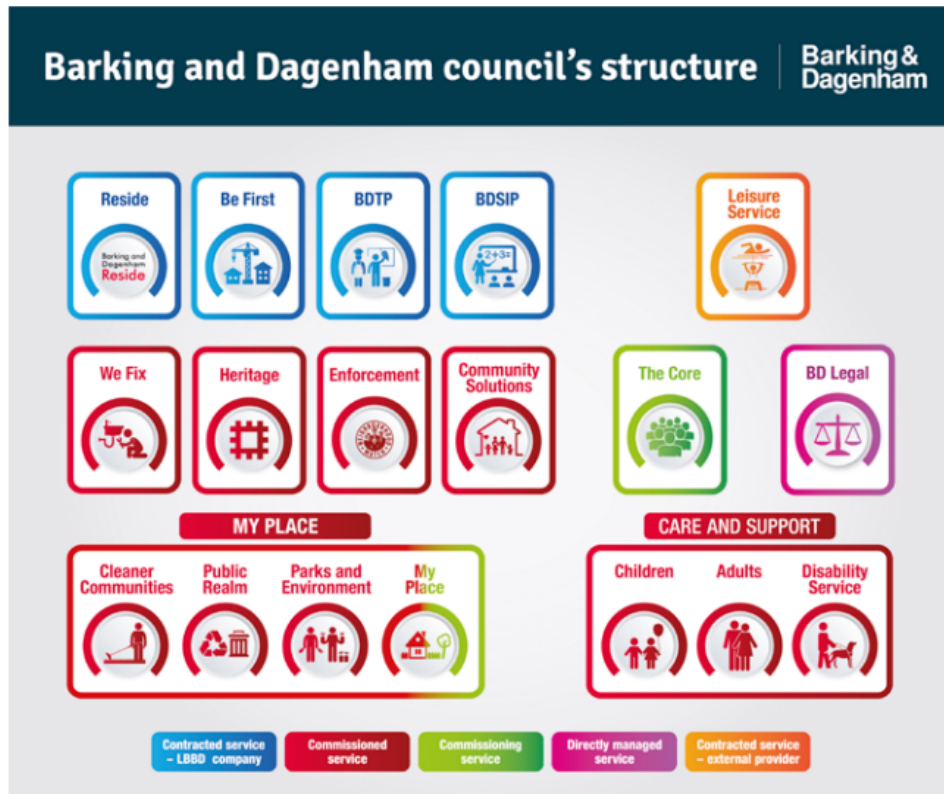
    **Strategic Priorities**:

    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':

**Barking and Dagenham council's structure** | Barking & Dagenham

Reside | Be First | BDTP | BDSIP | Leisure Service

We Fix | Heritage | Enforcement | Community Solutions | The Core | BD Legal

MY PLACE
Cleaner Communities | Public Realm | Parks and Environment | My Place

CARE AND SUPPORT
Children | Adults | Disability Service

Contracted service – LBBD company | Commissioned service | Commissioning service | Directly managed service | Contracted service – external provider

- 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 third 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 2022/23

The table below sets out the strategic audit plan by service delivery block, including relevant Internal Audit work from 2017/18 to 2021/22 along with relevant external sources of assurance and the suggested plan for 2022/23.

| Audit planning comments | Internal Audit plan 2022/23 |
|---|---|
| **Finance** | |
| Previous relevant Internal Audit work:<br><br>2021/22 | • General Ledger & Budgetary Control<br>• Pension Fund Investments<br>• Capital Programme / Budgeting |

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|---|---|
| • Sales, Fees and Charges Compensation Scheme (N/A) <br> • Investment Strategy (Limited Assurance) <br> • Covid Grant Payments (substantial assurance) <br> • Insurance (reasonable assurance) <br><br> <u>2020/21</u> <br> • Pensions Administration (reasonable assurance) <br> • Treasury Management (substantial assurance) <br> • Covid-19 Spend Review (substantial assurance) <br><br> <u>2019/20</u> <br> • Budgetary Control and Savings Management (reasonable assurance) <br> • Oracle system (Limited Assurance) <br><br> <u>2017/18</u> <br> • Transformation Governance review including review of the Investment and Acquisitions Strategy programme (N/A) <br> • Insurance (reasonable assurance) <br><br><br> Other relevant assurance providers: <br> • External Audit | |
| **Law, Governance and Organisational Change** | |
| Previous relevant Internal Audit work: <br><br> <u>2021/22</u> <br> • Payroll (reasonable assurance) <br> • Mayor's Account (N/A) <br> • HR Service Desk System (reasonable assurance) <br> • DBS Checks (reasonable assurance) <br> • Barking Market (reasonable assurance) <br> • Parking Enforcement (reasonable assurance) <br> • CCTV Operation (Limited Assurance) | • Payroll & Expenses <br> • Enforcement service - bailiff system implementation b/f 21-22 <br> • Licencing <br> • Trading Standards <br> • Regulatory Services - Health & Safety <br> • Sickness & Absence Management <br> • Right to Work in UK - Post Brexit (EU Citizens) <br> • Electoral Program |

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|---|---|
| • Well Run Organisation (reasonable assurance)<br>• Human Resources (Limited Assurance)<br>• Mandatory Training (Limited Assurance)<br>• Members Expenses & Allowances (N/A)<br>• Parking Legislation Review (Limited Assurance)<br><br>2020/21<br>• Recruitment Governance & Vetting (reasonable assurance)<br>• Talent Link System (reasonable assurance)<br>• Overtime Payments (Limited Assurance)<br>• Parking Permits (reasonable assurance)<br>• PCNs (reasonable assurance)<br>• New Parking System (Limited Assurance)<br><br>2019/20<br>• HR on and off boarding (reasonable assurance)<br>• Payroll (reasonable assurance)<br>• Emergency Planning and Business Continuity (reasonable assurance)<br>• Right To Buy Sales & Leasing (Limited Assurance)<br><br>2018/19<br>• Recruitment (Limited Assurance)<br>• Sickness Absence compliance review (N/A)<br>  IR35 compliance (reasonable assurance)<br>• Parking Income Collection (reasonable assurance)<br>• Gifts and Hospitality (reasonable assurance)<br>• Governance (reasonable assurance)<br>• Parking Income Collection (reasonable assurance)<br><br>2017/18<br>• Payroll (substantial assurance)<br>• Licensing (Limited Assurance) | |

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| • Planning Enforcement (Limited Assurance)<br>• Transformation Governance review, including review of the Enforcement programme (N/A)<br>• Electoral Registration (substantial assurance)<br><br><br>Other relevant assurance providers:<br>• External audit<br>• Disability Confident Employer accreditation<br>• Investors in People – Gold<br>• Food Standards Agency.<br>• Health and Safety Executive. | |

| **Strategy and Culture** | |
|---|---|
| Previous relevant Internal Audit work:<br><br><u>2021/22</u><br>• ERP Implementation (substantial assurance)<br>• IT Service Management Procurement (reasonable assurance)<br>• IT Asset Management (reasonable assurance)<br>• Brexit & Covid Impact (limited assurance)<br>• Core Transformation (reasonable assurance)<br>• Cloud IT Provider (reasonable assurance)<br><br><u>2020/21</u><br>• Information Security (limited assurance)<br>• ERP System Replacement Procurement (substantial assurance)<br>• Remote Working Security & Resilience (assurance TBC)<br>• Data Privacy (assurance TBC)<br><br><u>2019/20</u><br>• Key Performance Indicator Monitoring and Reporting (Limited Assurance) | • ERP Post Implementation Review<br>• Geographical Information System Review<br>• Server Virtualisation & Management |

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| • Information Security – initial review (reasonable assurance)<br>• Freedom of Information Requests (Limited Assurance)<br>• Data Transparency (reasonable assurance)<br>• Elevate Contract Exit (reasonable assurance)<br>• Management of Heritage Assets (reasonable assurance)<br><br>2018/19<br>• IT Risk Diagnostic (N/A)<br>• Information Governance – Subject Access Requests (substantial assurance)<br>• Everyone Active Contract Management (reasonable assurance)<br>• Cyber Security (Limited Assurance)<br>• Brexit Impact (N/A)<br>• Museum Accreditation compliance audit (N/A)<br><br>2017/18<br>• Transformation Governance review (N/A)<br>• IT Asset Management (reasonable assurance)<br>• Security Framework (Limited Assurance)<br><br><br>Other relevant assurance providers:<br>• HSE inspections<br>• SEQOHS accreditation.<br>• Annual inspections under the Visitor Attraction Quality Service accreditation<br>• Heritage Lottery Fund grant funding monitoring<br>• National Accreditation Scheme for Museums and Galleries<br>• Local Studies Centre's Archive Service Accreditation | |
| **Inclusive Growth** | |

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|---|---|
| Previous relevant Internal Audit work: | • Accounts Payable |
| **2021/22** | |
| • Accounts Payable (reasonable assurance) | |
| • Procurement Cards (limited assurance) | |
| • BDMS Charging Mechanism (assurance TBC) | |
| • Climate Change (N/A) | |
| • Customer Relationship System (reasonable assurance) | |
| **2020/21** | |
| • Risk in the Supply Chain (N/A) | |
| • Be First Governance (reasonable assurance) | |
| • NNDR (reasonable assurance) | |
| • Transfer of Properties from BeFirst to Reside (reasonable assurance) | |
| **2019/20** | |
| • Accounts Payable (reasonable assurance) | |
| • Procurement (reasonable assurance) | |
| • Procurement Cards (Limited Assurance) | |
| • Retrospective Purchase Orders (N/A) | |
| **2017/18** | |
| • Accounts Payable (reasonable assurance) | |

| **My Place** | |
|---|---|
| Previous relevant Internal Audit work: | • Fire Safety Compliance Management |
| **2021/22** | • Workshop |
| • Accuserv System (limited assurance) | • Passenger Transport |
| • Compliance Health Check (N/A) | • Waste Collections |
| • Housing Repairs & Maintenance (No Assurance) | • Waste Management - Health & Safety |
| • Subletting Leaseholders (No Assurance) | • Housing Void Management |
| • Housing Rents (reasonable assurance) | • Housing Register & Allocation Review |
| **2020/21** | • Be First - Reside - My Place Relationship b/f 21-22 |

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|---|---|
| • Tenant & Leaseholder Act Requirements (Sect 20) (Limited Assurance)<br>• LMS - post implementation review (Limited Assurance)<br>• Tenancy Data (Limited Assurance)<br>• Safety Compliance Review Work (N/A)<br><br>2019/20<br>• Voids (Limited Assurance)<br>• Housing System Implementation (N/A)<br>• Stewardship of Council Vehicles (Limited Assurance)<br>• Commercial Waste (reasonable assurance)<br>• Passenger Transport (Limited Assurance)<br><br>2018/19<br>• My Place Procurement and Contract Management (Limited Assurance)<br>• Asset Management (Limited Assurance)<br>• Follow-up of Security of Corporate Buidings (rating TBC)<br>• Commercial Waste (N/A)<br>• Parks and Grounds Maintenance follow up and compliance audit (reasonable assurance)<br>• Fleet Management (substantial assurance)<br><br>2017/18<br>• Housing Service Contracts – Responsive Repairs (Limited Assurance)<br>• Street Lighting Contract (substantial assurance)<br>• Highways maintenance (reasonable assurance)<br>• Highways asset management – (reasonable assurance)<br>• Fire Safety (reasonable assurance)<br>• Security of Corporate Buildings (Limited Assurance)<br>• Transformation Governance review, including review of the Public Realm programme (green) | • Leasehold Management Service Charges<br>• Right to Buy Valuations<br>• Housing Rent Setting Review |

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| • Parks and Grounds Maintenance (N/A)<br><br>Other relevant assurance providers:<br>• Pennington Choices review of Landlord Compliance<br>• Social Housing Regulator opinion<br>• Institute of Cemetery and Crematorium Management – gold standard accreditation 2019<br>• ROSPA Independent Yearly Playground Inspections | |
| **Community Solutions** | |
| Previous relevant Internal Audit work:<br><br>   <u>2021/22</u><br>• Accounts Receivable (limited assurance)<br>• Housing Benefits (substantial assurance)<br>• Council Tax (reasonable assurance)<br><br>   <u>2020/21</u><br>• Rent Arrears (substantial assurance)<br>• Welfare Reform (substantial assurance)<br>• Early Help (No Assurance)<br><br>   <u>2019/20</u><br>• Private Sector Housing (substantial assurance)<br>• Accounts Receivable (assurance TBC)<br>• Debt Recovery / Write-off (Limited Assurance)<br><br>   <u>2018/19</u><br>• Homelessness Reduction Act (reasonable assurance)<br><br>   <u>2017/18</u><br>• Transformation Governance review, including review of the Community Solutions programme (green)<br>• Council Tax (reasonable assurance)<br>• Housing Rents (Limited Assurance)<br><br>Other relevant assurance providers:<br>• 2018 London SCB Review of MASH | • Accounts Receivable<br>• Homelessness<br>• Domestic Violence Service |

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| **People and Resilience** | |
| Previous relevant Internal Audit work:<br><br>2021/22<br>• Specialist Intervention Service (reasonable assurance)<br>• Financial Assessments (reasonable assurance)<br>• Social Care Charging Policy (reasonable assurance)<br>• Public Health – internally commissioned services (Limited Assurance)<br>• Care Leavers (reasonable assurance)<br><br>2020/21<br>• Youth Offending Team (reasonable assurance)<br>• Disability Related Expenditure (reasonable assurance)<br>• Adoptions Service (reasonable assurance)<br>• Addition Resource Provision (reasonable assurance)<br>• Special Guardianship Orders (Limited Assurance)<br>• Education, Health and Care Plans (reasonable assurance)<br>• Homelessness - Southwark Judgement (substantial assurance)<br><br>2019/20<br>• Liquidlogic System Implementation (limited assurance)<br>• Social Care Forecasting (assurance TBC)<br>• Public Health Grant (reasonable assurance)<br>• School Audits<br><br>2018/19<br>• Direct Payments (limited assurance)<br>• Adoptions (no assurance – improved to reasonable assurance at follow-up)<br>• Risk Assessment of Schools<br>• School Audits | • Direct Payments<br>• Planning for School Places<br>• Adult Care Deferred Payments<br>• Special Education Needs & Disability<br>• Early Help KPI Monitoring & Reporting<br>• LAC Savings Accounts continued |

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|---|---|
| 2017/18<br>• Looked After Children (substantial assurance)<br>• Foster Care (substantial assurance)<br>• Adaptations Grant Scheme (no assurance, improved to reasonable assurance at follow-up)<br>• Schools Admissions (substantial assurance) | |
| **Council Companies (from the Council's risk perspective)** | |
| Previous relevant Internal Audit work:<br><br>2020/21<br>• Be First Governance (reasonable assurance)<br>• Transfer of Properties from Be First to Reside (reasonable assurance)<br>• Reside Landlord Compliance (limited assurance)<br><br>2019/20<br>• Be First - Capital Programme (N/A)<br><br>2018/19<br>• Be First – Procurement on behalf of LBBD (reasonable assurance)<br><br>2017/18<br>• Reside – Housing Rents (Limited Assurance)<br>• Be First - Scheme of Delegation (N/A)<br>• Be First - Community Infrastructure Levy / Section 106 (Limited Assurance)<br>• Be First - Planning Applications (reasonable assurance) | • Be First |

## 4. Internal Audit Plan 2022/23

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 |
|---|---|---|
| **Finance** | | |
| General Ledger & Budgetary Control | 20 | Key Financial System – control design & effectiveness |
| Pension Fund Investments | 15 | Controls around high value & high risk area |
| Capital Programme / Budgeting | 15 | Key Financial System – control design & effectiveness |
| | | |
| **Inclusive Growth** | | |
| Accounts Payable | 20 | Key Financial System – control design & effectiveness |
| | | |
| **Law, Governance & Organisational Change** | | |
| Payroll & Expenses | 20 | Key Financial System – control design & effectiveness |
| Enforcement service - bailiff system implementation b/f 21-22 | 15 | New system – control design and effectiveness |
| Licencing | 15 | Compliance with regulation, issuing of licences |
| Trading Standards | 15 | Discharge of statutory duties |
| Regulatory Services - Health & Safety | 15 | Statutory duty under Section 18 of the Health and Safety at Work Act 1974 to 'make adequate provision' for health and safety enforcement |
| Sickness & Absence Management | 10 | Workplace culture and corporate approach to driving down sickness |
| Right to Work in UK - Post Brexit (EU Citizens) | 10 | Recent legislation requirements |
| Electoral Program | 10 | Government returns |
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| **Community Solutions** | | |
| Accounts Receivable | 15 | Key Financial System – control design & effectiveness |
| Homelessness | 15 | Prevention strategy and statutory obligations |
| Domestic Violence Service | 15 | Review of resources and systems dealing with demand |
| | | |
| **My Place** | | |
| Fire Safety Compliance Management | 60 | Control design and implementation |
| Workshop | 12 | Procedural compliance |
| Passenger Transport | 12 | Authorisation of drivers and safety of service users |
| Waste Collections | 12 | Identification of customers and costs, collections of waste |
| Waste Management - Health & Safety | 12 | Control effectiveness – safety of operatives and residents |
| Housing Void Management | 15 | Recording and turnaround of properties |
| Housing Register & Allocation Review | 15 | Process to joining register and allocation to tenants |

| Audit Title | Days | Reason for Inclusion |
|---|---|---|
| Be First - Reside - My Place Relationship b/f 21-22 | 15 | Governance and scrutiny of relationships |
| Leasehold Management Service Charges | 15 | Controls around ensuring that the right leaseholders are charged the right amounts |
| Right to Buy Valuations | 15 | Risk and control review to ensure fair asset valuations |
| Housing Rent Setting Review | 10 | Rents setting control effectiveness |
| | | |
| **People and Resilience** | | |
| Direct Payments | 15 | Policies and procedures for administering scheme and monitoring of client activity |
| Planning for School Places | 15 | Link to Inclusive Growth strategy |
| Adult Care Deferred Payments | 15 | Verification of agreements and recovery of amounts |
| Special Education Needs & Disability | 15 | Focus on areas highlighted by Ombudsman |
| Early Help KPI Monitoring & Reporting | 15 | Control design of revised system |
| LAC Savings Accounts continued | 10 | Supporting service with changing practices |
| | | |
| **Audit Title** | **Days** | **Reason for Inclusion** |
| | | |
| **Strategy and Culture** | | |
| ERP Post Implementation Review | 15 | Review of green lighting and system amendments |
| Geographical Information System Review | 15 | New system – control design and implementation |
| Server Virtualisation & Management | 15 | New system – control design and implementation |
| | | |
| **Schools** | | |
| School Audits | 50 | School probity review of whole business area |
| School Follow-ups | 5 | Review of last year's agreed actions |
| | | |
| **Council Owned Companies** | | |
| Be First | 15 | TBC |
| | | |
| | | |
| Prior year completion | 10 | Completion of the 2021/22 audit programme post 31 March 2022. |
| Prior year annual opinion | 5 | Drafting of the 2021/22 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 |
| Grant claims | 10 | Drafting the Annual Governance Statement |

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| Proactive assurance support and advice | 20 | 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 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 2023/24. |
| 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 | 47 | Contingency for ad hoc activity. |
| | | |
| **TOTAL DAYS** | **865** | |

## 5. Resource requirement and financial implications

The 2022/23 Internal Audit plan is estimated to consist of 865 days, the same as that agreed for 2021/22. Within the 865 days, contingency of 47 days has been included to allow for unplanned Internal Audit work.

The budget for the full plan has been approved by the CFO.

## 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 2022/23 develops.  The Council's continued recovery from the COVID-19 crisis may 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.