

Internal Audit plan 2021-2022 - Q3 and Q4

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Introduction - October 2021

The Institute of Internal Audit (IIA) commented in August 2020 that 'The need for an annual plan has diminished, internal audit needs to be responsive to stakeholder requirements and requests from across the business. By putting a 12-month plan in place, we end up making so many changes to it that at the end of the 12-months it bears no resemblance to the 12-month plan at the beginning of the year'.

Therefore, in 2021/22 we have taken a more flexible approach to our operational plan. In April 2021, instead of presenting a programme of work for the entire year, which may well have been subject to change as the COVID situation evolves, we presented a provisional plan for the first 6 months.

We are now presenting an indicative plan for Q3 and Q4. The indicative plan for the second half of the year incorporates:

- New audits for Q3 and Q4
- Completion of ongoing work on the Q1 and Q2 audits

Risk-Based Plan

The IIA describes assurance mapping as "a tool to ensure key risks are assured across your organisation – driving out gaps and overlaps in the assurance jigsaw". We have used this approach to help inform where internal audit resource should be directed to ensure that duplications of assurance activities or gaps in coverage are identified as follows:

- Updating our understanding of the Council's services via engagement with the Senior Management Team and partners;
- Reviewing the corporate risk register;
- Seeking agreement of the plan by CMT and the Audit Committee to ensure coverage of the core aspects of the Council's governance and control environment.

In line with the Council's Corporate Plan priorities, Customer Services will continue to be a theme underpinning the plan and has already been picked up as part of the Council Tax and Trade Waste audits which are in progress from Q1 and Q2. It will also be picked up in future appropriate audits.

Organisational Culture will be a new theme underpinning the plan and will be picked up as a scope area in appropriate audits throughout the year e.g. Data Maturity and Equalities, Diversity & Inclusion (EDI).

In addition, the plan includes Schools audits (which are conducted in accordance with a risk-based cycle) and a number of grant claim / statutory return reviews.

We have also included contingency days in the plan to enable us to be responsive to changes in risks throughout the period, respond to the uncertain situation as it evolves, offering responsive advice and support to services when they need it. If changes are required to the plan in response to any new local or national risks, this will be communicated to the Audit Committee in a timely manner.

Q3 and Q4 – 2021/22 plan

Directorate	Provisional Audit Title	Provisional audit days
Finance & Resources	Expenses	15
Finance & Resources	Investment Appraisal	15
Finance & Resources	Project Accounting	20
Finance & Resources	COVID Business Grants: Post-Event Assurance – Phase 2	20
Finance & Resources	Kickstart Programme	15
Finance & Resources / Growth & Corporate Services	QL Housing System (Fixed Assets)	20
Growth & Corporate Services	Commercial Rents and Lease Renewals	20
Growth & Corporate Services	Community Infrastructure Levy	20
Children's & Family Services	Supporting Families Programme – Payment by Results Q3 and Q4	10
Children's & Family Services	BELS Data Protection / GDPR	15
Children's & Family Services	Schools audits	50

Q3 and Q4 – 2021/22 plan cont.

Directorate	Provisional Audit Title	Provisional audit days
Environment	Highways Health & Safety	20
Environment	Green Waste	15
Cross-Cutting	Disabled Facilities Grant – risk based audit of processes (Q4)	15
Cross-Cutting	EDI Action Plan	20
Cross-Cutting	Risk Management	20
Cross-Cutting	Data Maturity	20
Cross-Cutting	Project Management Toolkit compliance	20
Cross-Cutting	Follow-Ups of previous audit actions	75
Cross-Cutting	Contingency	100
	Total Days Q3 and Q4 – 2021/22 plan	525

Q1 and Q2 audits still in progress

Directorate	Provisional Audit Title	Stage
Finance & Resources	Council Tax	Fieldwork
Finance & Resources	IR35	Fieldwork
Finance & Resources	VAT	Planning
Growth & Corporate Services	Estates Compliance	Draft Report
Growth & Corporate Services	Private Residential Blocks – Fire Safety	Planning
Growth & Corporate Services	Local Land Charges outputs	Planning
Growth & Corporate Services	Remote Working	Planning
Adults & Health	Direct Payments	Planning
Environment	Trade Waste	Fieldwork
Environment	Parking – Debt Recovery and Write-Offs	Planning
Assurance	Premises Licensing and Gambling	Planning
Cross-Cutting	Equalities Diversity and Inclusion (EDI) Policy and Action Plan - Development and Governance review	Draft Report
Cross-Cutting	Sustainability Strategy	Planning
Cross-Cutting	Staff Conduct Standards Compliance	Planning
Cross-Cutting	Disabled Facilities Grant	Planning

Background - General

Corporate Objectives

This plan demonstrate how Internal Audit support the Council in achieving its overall aims and objectives whilst maintaining the necessary professional standards.

The Council's Corporate Plan 2021-25 identifies four priorities:

- **Clean, Safe and Well Run**
- **Family Friendly**
- **Healthy**
- **Thriving**

Underpinned by:

- **Prevention**
- **Equalities**

These priorities and considerations will be supported by each audit, as applicable.

Officer and Management Responsibilities

For Internal Audit to contribute to the Council's overall achievement of its objectives, it is essential that officers and management play a full role in the assurance work undertaken.

The expectations from management are:

- Strategic level involvement to inform the annual plan;
- Operational level involvement with individual reviews;
- Being open and honest with audit and CAFT staff;
- Making staff and records available when requested;
- Responding to draft reports in the agreed timescale;
- Only accepting recommendations with which they agree, and providing timescales for implementation that are achievable; &
- Implementing the agreed actions (by the agreed date) arising from the reviews.

The responsibility for a sound system of internal control and the prevention and detection of fraud rests with management. Work performed by Internal Audit and CAFT should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Those risks identified and recommendations raised should be considered in line with the Council's current Risk Management Framework.

Background - Internal Audit

Internal Audit

Internal Audit provide independent and objective assurance to the Council, its Members, the Council Management Team (including the S151 Officer) to support them in discharging their responsibilities under S151 of the Local Government Act 1972, relating to the proper administration of the Council's financial affairs.

Internal Audit ensure a positive culture of internal control improvement, effective risk management and good governance. The purpose, authority and responsibility of the internal audit activity are formally defined in the Internal Audit Charter, which will be periodically reviewed and presented to senior management and the Audit Committee for approval. Internal audit will be delivered and developed in accordance with this Charter.

Internal Audit Service Provision

The Internal Audit service is delivered through a mixed economy model, which includes an in house team and external provider, currently PwC.

Barnet is the lead borough on the Cross Council Assurance Service (CCAS), having run the procurement exercise to award the CCAS Framework contract from 1st April 2020 for the provision of internal audit, risk management, anti-fraud and advisory services. We work closely with numerous other London Boroughs (including Barking & Dagenham, Enfield, Hammersmith & Fulham, Royal Borough of Kensington & Chelsea, Lambeth, Waltham Forest and Westminster), as well as other authorities nationally.

The vision for CCAS is to support participating boroughs in creating an optimised assurance service that enables each organisation to manage risk more effectively, improve service agility and the ability to deliver more for less.

Being a part of this framework enables us to:

- work more closely with a number of other London Boroughs and public sector bodies nationally, sharing expertise, knowledge and working practices to further enhance the efficiency and effectiveness of the service;
- develop a platform to harmonise working practices and audit processes and enhance the skills and capacity of the in house teams to deliver a greater proportion of internal audit work and to share audit activity and resource planning;
- develop our Data Analysis skills; and
- provide income to Barnet via a 1% contract management fee.

Managed Audit Approach

Internal Audit are committed to the managed audit approach, which ensures joining up with External Audit to make the best use of resources and to avoid duplication of effort

Performance Indicators - Internal Audit

The service has a number of performance indicators in place to assess whether performance is effective and efficient.

Performance Indicator	Target	Reporting frequency
% of Plan delivered	Based on 95% complete of those due in quarter	Quarterly
Verification that Critical, High and Medium Risks have been mitigated by management at the time of follow up	90%	Quarterly
% of reports year to date achieving: <ul style="list-style-type: none"> • Substantial • Reasonable • Limited • No Assurance • Partially Implemented • N/A 	N/A	Quarterly
Average customer satisfaction score for year to meet or exceed acceptable level for at least 85% of completed surveys	85%	Exception basis - if not met