

Appendix 1 – Internal Audit plan update
Internal Audit Annual Report – 2023-24
Audit and Corporate Governance Committee 18th July 2024

1. Introduction

This Appendix provides a summary of the 2023-24 Internal Audit Plan that was agreed by the Committee in March 2023. It shows the indicative scope as well as the status of each audit. It is included to provide Committee with assurance that the Annual Audit Plan, which is the key vehicle for providing the Committee with independent assurance, is being effectively delivered.

2. Summary of Assurance Ratings

The table below provides an overall summary of the assurance ratings. A detailed summary of the status and outcomes of individual audit reviews is included in the detailed plan update section further below.

**Denotes reviews related to areas of principal risk as listed in the Council’s Principal Risk Report.*

*** It was considered apt to produce a management letter rather than an assurance report based on the nature of the work and the outcomes. Further detail on the individual review is included in the sections below.*

No	Ref	Audit title	Assurance Rating
<i>Planned reviews where an assurance opinion was provided</i>			
1.	SP22-1	Safeguarding Adults*	Moderate assurance
2.	SC22-3	Godwin and Crowndale TMO*	No assurance
3.	CS22-1-1c	VAT: Input Tax	Limited assurance
4.	CS22-1-1c	VAT: Partial Exemption	Limited assurance
5.	CC23-1	Savings programme and Medium Term Financial Risk*	Moderate assurance
6.	CC23-2	Community Investment Programme and Disposals *	Moderate assurance
7.	CC23-23	Partnerships	Moderate assurance
8.	CC23-25	Supply Chain Management	Moderate assurance

9.	SC23-3	Systems for the Management of Damp and Mould Inspections and Repairs*	Limited assurance
10.	SC23-7	Staff Council Journeys – Business Support	Limited assurance
11.	SP23-1	Health and Social Care Integration – System and Information Accessibility	Limited assurance
12.			
<i>Planned reviews where an assurance opinion was not provided **</i>			
1.	SC23-6	Bus Service Operators Grant	n/a. A management letter was issued
2.	SC22-4	Coroner’s Accounts (21/22)	n/a. A management letter was issued
3.	CC23-24	Business Continuity and Emergency Preparedness*	n/a. A management letter was issued
4.	CS23-4	Staff Recruitment and Retention	n/a. A management letter was issued
5.	SC23-1	Procurement- Property Management – responsive and major repairs*	n/a. A management letter was issued
6.	SP23-3	Schools’ Financial Value Statement	n/a. A management letter was issued
7.	SP23-4	Supporting Families	n/a. A management letter was issued

3. 2022-23 planned reviews brought forward to 2023-24

Ref	Audit title	Indicative scope	Assurance	Status – May 2024
CS22-1c	Key Financial Systems (KFS): VAT – Input VAT	Key controls testing as part of the 22-23 KFS plan	Limited	Completed. High priority recommendations were reported to the Committee in November 2023
CS22-1c	Key Financial Systems (KFS): VAT – Partial Exemption	Key controls testing as part of the 22-23 KFS plan	Limited	Completed. High priority recommendations were reported to the Committee in November 2023
CS22-1-3	KFS: Pensions*	Key controls testing as part of the 22-23 KFS plan	n/a. The review is on hold	The audit (being undertaken by the South West partnership) is underway and due to report in Q2 24-25
SC22-4	Coroner’s Court Accounts	Annual certification of accounts, to include follow up of recommendations made during the previous review.	n/a. A management letter was issued	Completed. A management letter was issued.
SP22-1	Safeguarding Adults*	Risk based review focussed on the effectiveness of the Council’s approaches to managing specific risks that have emanated as a result of the pandemic.	Moderate	Completed. Two medium priority recommendations were made in relation to: <ul style="list-style-type: none"> • Management Information; • Performance Data.

<p>SC22-3</p>	<p>Tenant Management Organisation – Godwin and Crowndale</p>	<p>Risk based review to evaluate the effectiveness of the governance framework and key controls in place at one TMO, to ensure that the Council and the TMO are discharging their responsibilities in-line with the Modular Management Agreement (MMA).</p> <p>Scope to include a review of the TMO's financial management arrangements, to ensure that funds spend appropriately and in a way that delivers value-for-money for residents.</p>	<p>No Assurance</p>	<p>Completed. High priority recommendations were reported to the Committee in November 2023</p>
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4. 23-24 Internal Audit plan update

A. Cross cutting reviews (including programmes)

Reference	Audit title	Indicative Scope	Assurance	Status – May 2024
CC23-1	Savings programme and Medium Term Financial Risk *	An on-going programme of assurance against this area of principal risk. The scope will focus on key programme risks and will also include a follow up of previous audit recommendations.	Moderate	Completed. Three medium priority recommendations were made in relation to: <ul style="list-style-type: none"> • A secondary review of updates to the MTFS monitoring document; • The updating of the savings cashflow; • Benefits management checking.
CC23-2	Community Investment Programme and Disposals *	An on-going programme of assurance against this area of principal risk. The scope will be considered in-year and will include a follow up of previous audit recommendations.	Moderate	Completed. Two high priority recommendations and one medium priority recommendation were made in relation to: <ul style="list-style-type: none"> • Benefits realisation planning; • Third party management; • Non-financial benefits management.

CC23-3	Partnerships*	An on-going programme of assurance, focussing on partnership governance arrangements for one key partnership.	Moderate	<p>Completed. The audit focussed on two key partnership boards i.e. the Community Safety Partnership Board and the Safeguarding Adults Partnership Board. One high priority recommendation and five medium priority recommendations were made in relation to:</p> <ul style="list-style-type: none"> • The maintenance of risk registers; • Monitoring and reporting of benefits; • Information sharing agreements; • Governance documentation; • Feedback mechanisms; • The documentation of discussions from board meetings.
CC23-4	Business Continuity/ Emergency Preparedness *	<p>Risk based review of the design and operation of a sample of business continuity and disaster recovery plans, including the resilience and recovery of key IT systems.</p> <p>The review will also assess the readiness of the Council's critical functions in the event of a disaster such as flooding.</p>	n/a. A management letter was produced	Completed. High priority recommendations are included at Appendix 2
CC23-5	Supply Chain Management	Risk based review to assess the control arrangements in place to mitigate the Council's exposure as a result of relationships with high risk suppliers.	Moderate	<p>Completed. Two high priority recommendations were made in the following areas:</p> <ul style="list-style-type: none"> • Evidence to support suppliers' declarations;

				<ul style="list-style-type: none"> The identification and review of potential supply chain risks.
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B. CORPORATE SERVICES

Reference	Audit title	Indicative Scope	Assurance	Status – May 2024
CS23-1	Key financial systems (KFS) follow up	<p>Follow up of recommendations from KFS reviews conducted in 22-23:</p> <ul style="list-style-type: none"> i) Asset management (land and building assets); ii) Treasury management; iii) VAT; iv) Accounts payable; v) Pensions (if required for Camden as result of recommendations made in the Shared Pension Service Internal Audit review). 	n/a – follow up only	<ul style="list-style-type: none"> i) Asset management (land and building assets) – Completed. A Moderate level of progress was noted. A further follow up is planned for Q3 24-25. ii) Treasury management – Completed. A good level of progress was noted. iii) VAT - Input Tax and Partial Exemption – the follow up is in progress and is due to complete in June 2024. iv) Accounts payable – Completed. A Good level of progress was noted. v) Pensions –n/a. Fieldwork (by the South West Audit Partnership) is underway in Q1 24-25.

CS23-2	IT reviews*	<p>Two risk-based IT reviews, the scope of which will be agreed in year. Provisionally this may include reviews in the following areas:</p> <ol style="list-style-type: none"> 1) Infrastructure – The scope will be agreed in-year, pending the conclusion of the current physical data centre move project. 2) Data Governance – The scope will be agreed in-year, and will focus on the controls related to establishment of responsibilities and ownership of data sets across the Council. The review will build upon the Data Governance review completed in 22-23. 	-	<p>The provisional reviews (Infrastructure and Data Governance) included on the 23-24 audit plan did not proceed due to a revised risk assessment. The revised risk assessment, undertaken in conjunction with the senior leadership and service management, concluded that Internal Audit resource will be utilised on an Oracle review (to assess the mechanisms in place to support ongoing Oracle). The review was delayed as a result of service pressures at the auditee level. Scoping meetings were held from Q3 23-24 to Q1 24-25 and the Terms of Reference (ToR) is currently being agreed. Fieldwork is planned for summer 2024. Outcomes will be reported to the November 2024 Committee meeting.</p>
CS23-3	IT audit follow up	<p>Follow up of previous audit recommendations:</p> <ol style="list-style-type: none"> i) Cyber security; ii) Data quality and integrity; iii) Data governance; iv) Application licence consumption: joiners, movers and leavers. 	n/a – follow up	<ol style="list-style-type: none"> i) Cyber security - A further follow-up was completed in Q4 23-24. A Moderate level of progress was noted. A further follow up is planned for Q2 2024-25. ii) Data quality and integrity – Completed. A Moderate level of progress was noted. A further follow up is planned for Q2 2024-25. iii) Data governance– the follow up is planned for Q3 2024-25. iv) Application licence consumption: joiners, movers and leavers – the follow up is planned for June 2024.

CS23-4	Staff Recruitment and Retention*	Risk based review of the mechanisms in place to ensure that staff with the requisite talent to meet organisational objectives are recruited and retained.	n/a. A management letter was issued	A draft management letter has been issued and discussed with management (a workshop, including a powerpoint presentation of audit outcomes was presented to the service management in Q1 24-25). The management response to audit recommendations is due to be finalised in June 2024.
CS23-5	Voluntary Sector Organisations (VSO)	A risk based review focussing on key controls at one voluntary sector organisation. The organisation will be selected in-year based on a joint risk assessment with the service.	n/a. Resource was utilised to support the VSO team	Completed. The VSO team requested Internal Audit support with one organisation. A management letter was not produced as support was provided to the VSO team in relation to this organisation.

C. SUPPORTING COMMUNITIES

Reference	Audit title	Indicative Scope	Assurance	Status – May 2024
SC23-1	Procurement-Property Management – responsive and major repairs*	Key controls review focussing on contracts let within Property Management. The review will also focus on waivers and contract extensions.	n/a. A management letter was issued	Completed. High priority recommendations are included at Appendix 2
SC23-2	HRA - Housing Voids - Allocation and Management Information *	A continuation of the assurance work provided in 22-23. The 23-24 review will focus on the design and operation of controls relating to advertisement and allocation of properties and the management information/reporting. The review will also include a follow up of recommendations made in 22-23.	-	The planned review of allocations (a continuation of work undertaken in 22-23) was deferred at management’s request due to process changes underway. Therefore audit activity in 23-24 focussed on the follow up of the 22-23 review. There was Limited progress at follow-up in Q4 23-24 and three of the original four recommendations were restated. A further extended follow-up is scheduled for Q3 2024-25 alongside the deferred review of processes for allocations.
SC23-3	Systems for the Management of Damp and Mould Inspections and Repairs *	Risk-based review of the design and operation of controls to ensure compliance with regulatory requirements regarding damp and mould. The review will primarily focus on Council owned properties. However a review of the Council’s	Limited	Completed. High priority recommendations are included at Appendix 2

		overall governance arrangements related to private landlord dwellings will be included.		
SC23-4	Tenant Management Organisation (TMO)*	Risk based review to evaluate the effectiveness of the governance framework and key controls in place at one TMO, to ensure that the Council and the TMO are discharging their responsibilities in-line with the MMA. Scope to include a review of the TMO's financial management arrangements, to ensure that funds are managed and spend appropriately and in a way that delivers value-for-money for residents.	-	Fieldwork (at Abbey Road TMO) is in progress with an anticipated completed date of June 2024.
SC23-5	Coroner's Court Accounts	Annual certification of accounts, to include follow up of recommendations made during the 22-23 review.	-	The 21-22 accounts were certified in Q2 23-24 (see above). The fieldwork relating to the 22-23 account certification has been completed and a management letter is being drafted. Anticipated completion June 2024.

SC23-6	Bus Service Operators Grant	Review and sign off of claims.		Completed. The Department for Transport pays the BSOG to Camden for the provision of community transport services. Internal Audit review the claim to confirm that expenditure meets the requirements of the grant. The certification has been completed.
SC23-7	Staff Council journeys – Business Support	Risk based review focussed on Council related business journeys.	Limited	A draft report has been issued and is awaiting management response to audit recommendations. High priority recommendations are included at Appendix 2

D. SUPPORTING PEOPLE

Reference	Audit title	Indicative Scope	Assurance	Status – May 2024
SP23-1	Health and Social Care Integration – system and information accessibility *	Risk based review. The scope will be agreed in year.	Limited	Completed. High priority recommendations are included at Appendix 2

SP23-2	Schools – establishments reviews*	Risk-based review of seven schools.		<p>22-23 plan (brought forward)</p> <ul style="list-style-type: none"> i) St. Joseph Roman Catholic Primary- Completed (Moderate assurance) ii) St. Mary's Kilburn Church of England Primary – Completed (Limited assurance) <p>23-24 plan</p> <ul style="list-style-type: none"> i) Swiss Cottage School – the draft report has been shared with the auditee awaiting a management response. Anticipated completion June 2024 (Moderate assurance) ii) Holy Trinity and Saint Silas CoE Primary School – Completed (Moderate assurance) iii) Christ Church School NW1 (Redhill) – the report is being drafted. Anticipated completion June 2024 iv) The Camden Secondary School for Girls – Completed (Moderate assurance) v) St Paul's Church of England – Fieldwork in progress. Anticipated completion June 2024
SP23-3	Schools' Financial	Review and sign off of 2022/23 statements produced by schools.	n/a	Completed.

	Values Statement			The Council is required to submit an assurance statement to the Department for Education each year confirming that a system is in place for the audit for schools, which provides assurance over the standards of financial management. The Internal Audit service supports this process and completed the work required to support the return in 2023-24.
SP23-4	Supporting Families	A review to provide assurance that the service retains a robust level of scrutiny and oversight in light of Earned Autonomy.	n/a. A management letter was issued	Completed. A management letter was issued

5. Additions and deferrals

This section outlines additions and deferrals that were made to the plan as approved by the Committee in March 2023.

5.1 Additions

Nine additional reviews have been undertaken in the 2023-24 year.

5.2 Deferrals

The following deferrals were made:

- 1) Housing Voids – Allocations and Management Information – the review was deferred to Q2 24-25 at management’s request to allow for the conclusion of work within the service to map and review processes for the allocation of voids;
- 2) Pensions Key Financial Systems – the review was deferred to Q1 24-25 given the South West Audit Partnership (SWAP’s) planning arrangements.