

## APPENDIX 1 – INTERNAL AUDIT UPDATE

### Internal Audit Interim Report – 2024-25

Audit and Corporate Governance Committee 5<sup>th</sup> December 2024

#### 1. Introduction

This Appendix provides a summary of the 2024-25 Internal Audit Plan that was agreed by the Committee in April 2024. 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.*

Ref	Audit title	Assurance
<i>Planned reviews where an assurance opinion was provided</i>		
S22-1	<b>KFS: Pensions*</b>	Substantial (the review was undertaken externally as led by the South West London Audit Partnership).
C23-4	<b>Tenant Management Organisation (TMO)* Abbey Road</b>	Moderate
<i>Planned reviews where an assurance opinion was not provided **</i>		
SC23-5	<b>Coroner's Court Accounts 22-23</b>	n/a – a management letter was issued

CS24-1	<b>Key financial systems (KFS) follow up*</b>	n/a – a management letter was issued
CS24-7	<b>Voluntary Sector Organisations</b>	n/a – resource utilised to support the VSO team
SP24-3	<b>Schools' Financial Values Statement</b>	n/a – a management letter was issued
SC24-9	<b>Bus Service Operators Grant</b>	n/a – a management letter was issued

### 3. 2023-24 planned reviews brought forward to 2024-25

Ref	Audit title	Indicative scope	Assurance	Status – October 2024
CS22-1	<b>KFS: Pensions*</b>	Key controls testing as part of the 2022/23 KFS plan.	Substantial	Completed A review of the Shared Pensions Service (including Camden data sets) was undertaken externally as led by the South West London Audit Partnership. The review made no specific recommendations for Camden.
CS23-2	<b>IT reviews*</b>	Two risk-based IT reviews, the scope of which will be agreed in year. Provisionally this may include reviews in the following areas:  1) Infrastructure – The scope will be agreed in-year, pending the conclusion of the current physical data centre move project.	n/a	The fieldwork has been completed and the output is being drafted. Anticipated completion November 2024.  The provisional reviews included on the audit plan (i.e. Infrastructure and

		<p>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>		<p>Data Governance) 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 a review of programme assurance and data governance within the Oracle Fusion application system.</p> <p>As reported to the Committee as part of the 23-24 Internal Audit Annual Report in July 2024, the review was delayed as a result of service pressures at the auditee level.</p> <p>Fieldwork has now concluded and the output is being drafted.</p>
SC23-2	<b>HRA - Housing Voids - Allocation and Management Information *</b>	<p>A continuation of the assurance work provided in 2022/23. The 2023/24 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 2022/23.</p>	n/a	<p>Commencement of fieldwork has been further delayed due to service restructure. Fieldwork is scheduled for November 2024, with an anticipated completion in Q4 2024-25.</p>
SC23-4	<b>Tenant Management</b>	<p>Risk based review to evaluate the effectiveness of the governance framework</p>	Moderate	<p>Completed.</p>

	<b>Organisation (TMO)*</b>	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.		Three medium priority recommendations were raised in relation to the Abbey Road TMO.
SC23-5	<b>Coroner's Court Accounts 22-23</b>	Annual certification of accounts, to include follow up of recommendations made during the 22-23 review.	n/a	Completed. A management letter was issued.

## 4. 2024-25 Internal Audit plan update

### A. Cross cutting reviews (including programmes)

Ref	Audit title	Indicative Scope	Status – October 2024
CC24-1	<b>Savings programme and Medium Term Financial Risk *</b>	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.	The Terms of Reference has been drafted. Fieldwork will commence in January 2025. Anticipated completion Q4 2024-25.
CC24-2	<b>HRA Financial Resilience*</b>	A risk-based review. Scope to be agreed in-year.	The Terms of Reference has been drafted. Fieldwork will commence in January 2025. Anticipated completion Q4 2024-25.
CC24-3	<b>Community Investment Programme and Disposals *</b>	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.	The Terms of Reference has been drafted. Fieldwork will commence in January 2025. Anticipated completion Q4 2024-25.
CC24-4	<b>Business Continuity/ Emergency Preparedness *</b>	An extended follow up review to assess the level of implementation of audit recommendations made in 2023-24.	The follow-up is in progress and due to report in Q4 2024-25.
CC24-5	<b>Modern Day Slavery</b>	A review of joint working, governance and oversight arrangements relating to modern day slavery. The audit will also look at staff training and communications with residents.	Fieldwork is currently in progress. Anticipated completion Q3 2024-25.

## B. CORPORATE SERVICES

Ref	Audit title	Indicative Scope	Status – October 2024
CS24-1	<b>Key financial systems (KFS) follow up*</b>	Follow up of remaining open audit recommendations from KFS reviews conducted in 22-23 (the follow ups included VAT (input and partial exemption) and Land and Buildings – Asset Data).	Completed VAT Input tax - good progress VAT Partial Exemption - good progress Land and Buildings Asset Data - moderate progress
CS24-2	<b>Key controls review*</b>	An overarching key controls review to assess the design of key controls (as listed in the table included at Appendix C section B below). Audit activity will primarily consist of walkthroughs.	The Terms of Reference is currently being drafted. Fieldwork will commence in January 2025. Anticipated completion Q4 2024-25.
CS24-3	<b>Staff expenses</b>	A risk based review focussed on key controls related to staff expenses.	The Terms of Reference has been drafted. Fieldwork will commence in Q3 24-25. Anticipated completion Q4 2024-25.
CS24-4	<b>IT review*</b>	A risk-based IT review, the scope of which will be agreed in year.	The 23-24 audit is concluding (per CS23-2 above), following which a scoping meeting to agree the 24-25 audit will be held in Q3 24-25. Fieldwork is anticipated to commence in Q4 2024-25, with the review expected to be finalised in Q4 2024-25 or Q1 2025-26.
CS24-5	<b>IT review – Northgate</b>	A risk based review focussed on permission and access controls in Northgate, including contractor access and interfaces with Rocc and Oracle.	The Terms of Reference is being drafted. Fieldwork is planned for Q4 24-25.

CS24-6	<b>IT audit follow up</b>	Follow up of previous audit recommendations.	The follow up is not yet due as the original review (per CS23- above) has not been finalised.
CS24-7	<b>Voluntary Sector Organisations</b>	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.	<p>Completed</p> <p>The Internal Audit team have provided support for key controls at the organisation. They remain in ongoing dialogue with the VSO team to extend support to additional organisations throughout the year. Support will be provided as needed, with resources from the Internal Audit team made available accordingly.</p>

## C. SUPPORTING COMMUNITIES

Ref	Audit title	Indicative Scope	Status – October 2024
SC24-1	<b>Procurement-Property Management (housing)*</b>	An extended follow up review to assess the level of implementation of recommendations made in 23-24.	The follow-up is in progress and due to report in Q4 2024-25. The auditee has advised that a working group has been established and agreed Internal Audit actions is a standing item on the agenda.
SC24-2	<b>Property Management (housing) – contract management*</b>	A risk based reviewed focussed on contract management and including payment processes (raising of purchasing orders and approval of invoices).	Fieldwork is in progress. Anticipated completion Q3 2024-25.
SC24-3	<b>Landlord Duty of Care – Damp and Mould*</b>	An extended follow up review to assess the level of implementation of recommendations made in 23-24.	The follow up is not yet due as the agreed implementation date for Internal Audit recommendations is March 2025.
SC24-4	<b>Concessionary Travel</b>	Risk-based review of the design and operation of key controls.	Fieldwork was initially planned for Q2 2024-25 but was deferred to Q4 24-25 at the auditee's request. The Terms of Reference is currently being prepared and will agreed with the auditee in Q3.
SC24-5	<b>Breakdown in community cohesion*</b>	Risk based review focused on actions to mitigate existing and emerging risks. The review will include a follow up of previous open audit recommendations.	Scoping discussions are underway. Fieldwork will commence in Q4 2024-25. Anticipated completion Q4 2024-25.
SC24-6	<b>Social housing regulations/ standards*</b>	Following completion of a self-assessment, an advisory review of compliance with new social housing regulations/ standards.	Scoping discussions are underway. Fieldwork will commence in Q3 2024-25. Anticipated completion Q4 2024-25.



SC24-7	<b>Tenant Management Organisation (TMO)*</b>	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.	A risk assessment related to rolling assurance of TMOs was conducted and it was agreed that the 24-25 audit resource will be utilised on an extended follow up of Chalk Farm TMO. A second follow-up was completed in June 2024 and a moderate level of progress was noted. A further follow-up is in progress in Q3.
SC24-8	<b>Coroner's Court Accounts 23/24</b>	Annual certification of accounts, to include follow up of recommendations made during the 23-24 review.	The 2023-24 account certification is planned for Q3 2024-25.
SC24-9	<b>Bus Service Operators Grant</b>	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 reviewed the claim to confirm that expenditure meets the requirements of the grant.

## D. SUPPORTING PEOPLE

Ref	Audit title	Indicative Scope	Status – October 2024
SP24-1	<b>Mosaic key controls review*</b>	Extended follow up of recommendations made in 22-23.	Fieldwork is in progress. Anticipated completion Q4 2024-25.

SP24-2	<b>Schools – establishments reviews*</b>	Risk-based review of seven schools.	<ul style="list-style-type: none"> <li>i. <b>Haverstock Secondary School</b> – Draft report stage, awaiting management response to audit recommendations. Anticipated completion in Q3 2024-25.</li> <li>ii. <b>Kingsgate Primary</b> – Fieldwork is scheduled for Q3 2024/25. Anticipated completion Q3 2024-25.</li> <li>iii. <b>Edith Neville Primary</b> – Fieldwork is scheduled for Q4 2024-25. Anticipated completion Q4 2024-25.</li> </ul> <p><b>Richard Cobden Primary</b> – Fieldwork is scheduled for Q4 2024-25. Anticipated completion in Q1 2025-26.</p> <ul style="list-style-type: none"> <li>iv. <b>St Patricks Primary</b> – Fieldwork is scheduled for Q3 2024-25. Anticipated completion Q3 2024-25.</li> <li>v. <b>La Sainte Union</b> – Fieldwork is scheduled for Q4 2024-25. Anticipated completion Q4 2024-25.</li> <li>vi. <b>Primrose Hill Primary</b> – Fieldwork is scheduled for Q4 2024-25. Anticipated completion Q4 2024-25.</li> </ul>
SP24-3	<b>Schools’ Financial</b>	Review and sign off of 2022/23 statements produced by schools.	Completed

	<b>Values Statement</b>		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.
SP24-4	<b>Supporting Families*</b>	A review to provide assurance that the service retains a robust level of scrutiny and oversight in light of Earned Autonomy.	Planning meetings have been held and the Terms of Reference has been issued. Fieldwork is scheduled for January 2025 at the request of the auditee. Anticipated completion Q4 2024-25.

## 5. Additions and deferrals

This section outlines additions and deferrals that were made to the plan as approved by the Committee in April 2024.

### 5.1 Additions

Three additional reviews are currently underway.

### 5.2 Deferrals

There are no anticipated deferrals of audits within the plan approved by the Committee in April 2024 as at October 2024.