



Report for: DECISION

Contains Confidential or Exempt Information	No
Title	Draft Internal Audit Plan 2024/25
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Author	Mike Pinder, Assistant Director of Audit & Investigations, ext 5792, pinderm@ealing.gov.uk
Portfolio	Cllr Steve Donnelly – Inclusive Economy
For Consideration By	Audit Committee
Date to be Considered	27 February 2024
Implementation Date if Not Called In	1 April 2024
Affected Wards	All
Keywords/Index	Audit Strategy and Plan

Purpose of Report:
This report details the draft internal audit plan for 2024/25.

In accordance with the Public Sector Internal Audit Standards (PSIAS), the Audit Committee is being asked to review and approve the proposed strategy and plan.

1. Recommendation

1.1 The Audit Committee is asked to review and approve the draft internal audit plan for the period 1 April 2024 to 31 March 2025.

2. Reason for Decision and Options Considered

2.1 Internal Audit is an assurance function that provides an independent and objective opinion to the council on the adequacy and effectiveness of the systems of internal control comprising of risk management, internal control and governance, by evaluating its effectiveness in achieving corporate objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

- 2.1 The assurance gained from the programme of work set out in the 2024/25 Plan (Appendix A), will form the main input for the development of the 2024/25 opinion of the Chief Audit Executive (at Ealing, this is the Assistant Director of Audit and Investigation) regarding the control environment within the council.

3 Key Implications

- 3.1 The 2024/25 Internal Audit Plan is an indicative plan which is kept under constant review to ensure that it is agile and able to respond to emerging risks. It is subject to revisions during the year with the approval of the Audit Committee.

4 Background

- 4.1 The fundamental role of Internal Audit is to provide senior management and Members with an independent assurance on the adequacy, effectiveness and efficiency of the system of internal control and report major weaknesses together with recommendations for improvement. The role is fulfilled by carrying out appropriate audit work in accordance with the Annual Plan as approved by the Audit Committee. As Internal Audit is a major source of assurance that the council is effectively managing its risks, a key rationale for the development of the Internal Audit Plan was the council's own Strategic and Service Risk registers.
- 4.2 The Council's Internal Audit Service is delivered in accordance with a regulatory framework comprising:
- The Local Government Finance Act 1972 which requires councils to 'make arrangements for the proper administration of their financial affairs'.
 - The Accounts and Audit Regulations 2015 which require that all local authorities must 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.
 - The Public Sector Internal Auditing Standards 2017 (PSIAS) set out what is meant by appropriate internal audit practices.
- 4.3 The PSIAS require the council to have an Internal Audit Charter, similar to a terms of reference, which sets out the purpose, authority and responsibility of the Internal Audit Service. The Internal Audit Charter was agreed by Audit Committee in June 2023.
- 4.4 The planning process is a high level statement which outlines how the Internal Audit planning is undertaken. The PSIAS no longer make specific reference to a strategy document, but requires that the information that it contains be communicated to the Audit Committee, to support discussion about audit planning and resources.

- 4.5 Regular progress meetings will be undertaken between the Section 151 Officer (Strategic Director, Resources) and the Assistant Director of Audit & Investigations and the PwC Contract Manager (as required).

5. Financial

- 5.1 The Audit Plan will be funded from the Audit and Investigations budget.

6. Legal

- 6.1 All Local Authorities are required to make proper provision for Internal Audit in accordance with the 1972 Local Government Act and the Accounts and Audit Regulations 2015 (as amended). The Public Sector Internal Audit Standards 2017 (PSIAS) requires proper planning of audit work.

7. Value for Money

- 7.1 Ealing's Internal Audit Services are currently provided by a Strategic Audit Partner (PriceWaterhouseCooper (PWC)), during 2024 we will be looking to increase the in-house provision. PWC will provide resilience whilst this change is implemented. No savings are planned from this change initially although it is aimed to achieve greater value for money once it starts to embed.

8. Sustainability Impact Appraisal

- 8.1 Not applicable.

9. Risk Management

- 9.1 The Council is responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.
- 9.2 The proposed internal audit plan is based on risk and takes into consideration the current levels of strategic and operational risks managed by the Council. Risk management arrangements are, however, kept under continual review.

10. Community Safety

- 10.1 Not applicable.

11. Links to Strategic Objectives

- 11.1 Internal Audit makes a significant contribution to delivering the Council Plan and Council objectives, providing regular assurance to senior management and Members on the effectiveness of the corporate governance and internal control framework. Internal Audit impacts on all services and functions throughout the council, including internal and external partnerships, and stakeholders.

12. Equalities and Community Cohesion

- 12.1 No equality impact assessment has been undertaken as the report does not affect the general duties of the Equalities Act 2010.

13. Staffing/Workforce and Accommodation implications

13.1 Not applicable.

14. Property and Assets

14.1 Not applicable.

15. Any other implications

15.1 None.

16. Consultation

16.1 As per attached table.

17. Appendices

Appendix A: 2024/25 Draft Internal Audit Plan

Name of consultee	Department	Date sent to consultee	Date response received from consultee	Comments appear in report para:
Emily Hill	Strategic Director, Resources	13/2/2024	19/02/2024	Throughout
Strategic Leadership Team	All Departments	14/2/2024		Throughout
Cllr Steve Donnelly	Portfolio Holder – Inclusive Economy	For info		

Report History

Decision type:	Urgency item?
For Information	No
Report no.: Report author and contact for queries: Mike Pinder, Assistant Director Audit & Investigations, pinderm@ealing.gov.uk	

Final Internal Audit Plan 2024/25 Ealing

Internal Audit Plan for 2024/25.
Draft to Audit Committee – February 2024



Ealing and Hounslow Audit and Investigation Shared Service



London Borough
of Hounslow



Ealing

Introduction

The role of internal auditors is to provide independent, objective assurance designed to add value and improve the council's performance. The remit and approach of internal audit, as set out in the internal audit charter, is to help management and the Audit Committee to evaluate and improve the effectiveness of risk management, control and governance processes.

The council's approach complies with best professional practice, in particularly the Public Sector Internal Audit Standards.

Internal audit's objectives are to:

- Remain independent and objective in the delivery of internal audit
- Provide assurance to management and the Audit Committee
- Formulate an effective annual operational plan, based upon regular review and risk assessments
- Respond to new and emerging risks through ongoing liaison with management and provision of adequate contingency
- Use benchmarking and comparison to identify wider changes to the sector
- Work closely with management and other assurance providers to optimise assurance, develop effective conclusions and recommendations
- Work with the anti-fraud service to optimise investigation coverage, promote good controls and fraud preventions and aid management.

This document sets out the planning process along with a one year operational plan for the coming year (2024/25). A strategic plan is also set out including coverage since 2021 to and also potential areas to consider for 2025/26.

Planning Process

The strategy for planning is set out in line with the internal audit charter and considers the Public Sector Internal Audit Standards. It sets out our delivery of the internal audit service and is based upon the following:

- 1) Developing a framework for the service, which ensures independence and objectivity for internal audit staff.
- 2) Providing assurance through a systematic approach covering key areas including:
 - Controls assurance monitoring on key financial systems
 - Risk based audits to confirm actions are in place to help mitigate risks
 - Prevention of fraud, linking to the anti-fraud service to help protect services for those with a genuine need
 - Special projects linking with services to help provide them with assurance following a period of change
 - Contract audit to provide assurance on the increasing number of key projects, as well as monitoring of contracts in operation
 - Schools audit ensuring all schools are audited over a period of time
 - Information Communication Technology (ICT) audit to provide assurance on the ICT estate operated by the Council
 - Appropriate use of computer aided audit techniques including data matching and analytics to provide whole population testing.
- 3) Promoting good practice in:
 - Risk management
 - Control and fraud prevention
 - System designed
 - Governance.
- 4) Adding value by:
 - Working with management to develop the most effective recommendations
 - Providing challenge where appropriate
 - A full review against our shared service partner (Hounslow's) 5 year plan to identify gaps in coverage and explore key risks for the sector
 - Benchmarking with PWC network, London Audit Group and other sources.
- 5) Optimising assurance by:
 - Working closely with other assurance providers, such as external audit to optimise coverage
 - Utilising the three lines of defence model to draw assurance from available sources.

A list of project areas which require internal audit review or independent sign off is also included, for example grants received, which require sign off by the provider.

The strategic internal audit plan remains responsive to key risks, but acts as a planning aid. Setting out a list of areas to help with future year discussions. It is intended that the strategic plan will continue to build, but also that it will continue to be agile to reflect a changing risk environment.

2024/25 – Operational Internal Audit Plan

The operational one-year plan will remain reasonably fluid to allow areas of emerging risk to be adopted during the year where necessary. Updates will be reported to management and the Audit Committee during the year.

	Topic	Description /Indicative Scope	Assurance Map Risk Rating	Period (Forecast)#
Council Wide				
1	Follow-ups	Monitoring of the implementation of recommendations from previous audit reports (ongoing).	Critical	Ongoing
2	Risk Management	A deep dive review of a sample of risks each quarter to validate information on the risk register and mitigations.	High	Ongoing
Resources				
3	Contract Register	A review of the contract register to actual spend to identify non-compliant spend activity.	High	Q1
4	Non accounts payable Mosaic – Financials	A review of the financial aspect of the Mosaic system.	High	Q3
5	Council Tax	Key financial system review	Fundamental	Q3
6	NNDR	Key financial system review	Fundamental	Q3
7	Treasury and Pension Investment	Key financial system review	Fundamental	Q3

	Topic	Description /Indicative Scope	Assurance Map Risk Rating	Period (Forecast)#
8	Asset Register – Properties	Completeness of the asset register for property information. Link to other available sources of info (insurance, housing and property system, utilities).	High	Q1
9	Business Continuity Planning	A review of the business continuity planning and testing process.	High	Q3
10	ICT – Intune	How ICT manage user desktop and control usage of equipment.	High	Q2
11	ICT – Business World (BW) Cloud Implementation (Advisory)	To provide advice and support to the BW implementation	High	Ongoing
Economy				
12	Regeneration Project Management	A review of the project management processes around two key projects. To include arrangements for monitoring site H&S. Likely to be Gurnell and the Lido to confirm status.	High	Q2
13	Housing Development Programme	A review of the programme management arrangements (pre evaluation and decision).	High	Q1
14	Building Safety	Arrangements in place by building control to meet the new building safety act.	High	Q4

	Topic	Description /Indicative Scope	Assurance Map Risk Rating	Period (Forecast)#
Strategy and Change				
15	Strategy Vision	A review of processes to map strategic priorities to allocation of resources.	High	Q2
16	Perceval House Project (Advisory)	Carried forward from 2022/23. To review project monitoring arrangements.	High	Ongoing
17	HR – Secondments and Variations to Pay	A review of: i) Secondments ii) Variations to pay (e.g. overtime, honorariums, expenses) To confirm that these are operated in line with policy.	High	Q1
Housing and Environment (H&E)				
18	Temporary Accommodation (TA)	A review of the H&S compliance checks for the TA service.	High	Q1
19	Governance and Assurance Framework	A review of the assurance and performance arrangements within H&E.	High	Q2
20	Housing – Inspection Readiness (Complaints)	The review will focus on processes around handling of complaints by the housing teams. Including root cause and analysis.	High	Q2
21	Housing – Building Safety	A review of the implementation of building safety requirements against the Act	High	Q3
22	Highways	A review of the contract and monitoring arrangements for the highways service.	High	Q1

	Topic	Description /Indicative Scope	Assurance Map Risk Rating	Period (Forecast)#
Children				
23	Prepaid Cards	Carried forward from 2022/23. To look at the new arrangements for pre-paid cards.	High	Q2
24	Schools H&S	H&S monitoring arrangements. This will include a thematic review to confirm works undertaken at some schools. To include passenger transport arrangements.	High	Q1
25	Placement Panels	Arrangements for care packages and monitoring.	High	Q3
26	Performance and Assurance Framework	A review of the performance and assurance framework for Children's Services.	High	Q2
Adult's Services and Public Health				
27	Adult Social Care – Financial Control	To review the savings setting process and monitoring arrangements.	High	Q2
28	Direct Payments	A revised strategy is being introduced with a view to increase the number of people on direct payments. This will consider monitoring controls in light of the increased volume.	High	Q3/Q4

The service is proposing in-sourcing work during the year and will be recruiting 4 new team members. Due to this the targets are a lower percentages at the early stages of the year.

Targets for completion of audits:

Period	Projects	%
Q1	2	8
Q2	5	19
Q3	10	38
Q4	24	85
Ongoing	4	15
Total	28	100

Cyclical Verification Work

Mortlake Cemetery (May)

Strategic plan

This includes coverage from 2021/22 and the operational plan for 2024/25 and provisional plan for 2025/26 (denoted with a P). The 2025/26 will be reconsidered and assessed against Council's risk profiles in the next planning cycle.

This document helps to reflect on the time elapsed between audits as this may impact on the risk assessment process.

Topic	21/22	22/23	23/24	24/25	25/26 (P)
Council Wide					
Follow-up	✓	✓	✓	✓	✓
Contract management	✓	Housing	✓ (Voids)	✓ (Highways)	✓
Performance and Assurance Framework			✓	(Service Level)	
Risk				✓	
Chief Executive					
West London Alliance					✓
Strategy and Change					
Health & Safety (H&S)					
- Schools				✓	
- Commercial Estate					
- Corporate Property (site manager's H&S)			✓		✓
- Housing	✓		✓		
- Fire Safety	✓				
- Temporary Accommodation	✓			✓	
Future Ealing (Programme Management)			✓ (Perceval House cross over)	✓ (Perceval House carried forward)	
Human Resources (Policy)			✓		
HR (Transactional Recruitment)			✓		
HR (Non Standard Recruitment)	✓				✓
Future World of Work	✓				
Temporary Workers/ Contractors			✓		✓

Topic	21/22	22/23	23/24	24/25	25/26 (P)
Grant Administration					✓
Workforce planning/recruitment and retention strategy					✓
Equalities					✓
Resources					
Fleet Management					✓
Facilities Management (Site Managers' H&S Compliance)			✓		
Emergency Response/Business Continuity				✓ (BC)	
Commercial Property Income		✓			
Commercial Property Asset Management					✓
Facilities Management (Repair Supplies)					✓
Corporate Property Works			✓		
Key Financial Systems (KFS)					
KFS Payroll & Transactional HR		✓			✓
KFS General Ledger		✓			✓
KFS Accounts Payable			✓		
KFS Accounts Receivable			✓		
KFS Council Tax	✓			✓	
KFS NNDR	✓			✓	
Cash			✓		
KFS Housing Benefits		✓			✓
KFS Housing Rents		✓			✓
KFS Financial System (Business World)		✓			✓
KFS Pensions Administration		✓			✓
KFS Treasury and Pension Investment	✓			✓	

Topic	21/22	22/23	23/24	24/25	25/26 (P)
Payment Cards		Adv	✓		
Credit Cards	✓		✓		✓
Financial Resilience	✓				
Capital/Capital Programme		✓			✓
Procurement			✓		
Compliance with new regs					✓
Non accounts payable				Mosaic	
Complaints Policy and FOIs		✓		Housing	
Asset Register				✓	
ICT					
Data Protection		✓			✓
Data Protection - Data Breaches					
IT – Cyber	✓		✓		
ICT applications	✓				
ICT Licencing	✓				
ICT Projects	✓	✓			
Mosaic	✓			Finance	
Digital Programme Management					✓
ICT Contract Management		✓			
ICT Asset Management			✓		✓
ICT Network Replacement		✓			
ICT Incident Management		✓			✓
Housing and Environment					
Viridor Recycling Contract	✓				
Licensing (Alcohol and Gambling)					✓
Licensing (Homes of Multiple Occupation)					✓
Trading Standards					✓
Repairs and Maintenance		✓			✓
Voids (will incorporate R&M in part)			✓		

Topic	21/22	22/23	23/24	24/25	25/26 (P)
Temporary Accommodation	✓			✓	
Housing Allocations					✓
Leaseholder and Section 20		✓			
Right to buy		✓			
Contract management		✓ (Housing)			✓
Waste Contract (Now GEL)			✓		
Highways				✓	
Parking	✓				
Coroners Service (Assurance from London Borough of Hammersmith & Fulham)	✓				
HRA Regeneration Projects			✓	✓	
Inspection readiness					
Economy and Sustainability					
Broadway Living		✓			✓
Libraries			✓		
Leisure			✓		
Project Management (Perceval House)			✓		
Project Management (Regeneration)		✓	(HRA)	✓	
Planning					✓
Section 106/ Community Infrastructure Levy		✓			✓
Utilities		✓	Follow-up		✓
Children					
No Recourse to Public Funds			✓		

Topic	21/22	22/23	23/24	24/25	25/26 (P)
Children's Services Business Systems					✓
Demand Management			✓		✓
Commissioning		✓			
Fostering					✓
Children with Disabilities	✓		✓		✓
SEND - Direct Payments					✓
SEND - Transport		✓		H&S	
Out of Hours service				✓	
Section 75 Agreement					✓
Brokerage Team					✓
Safeguarding (Children)	Ofsted Considerations				
Ealing Learning Partnership					✓
Payment Cards				✓	
Regional Adoption Agency					✓
Care Packages				✓	
Adults and Public Health					
Safeguarding (Adults)		✓ (QA)			
Adult Social Care Debt	✓				
Deputyships			✓		
Continuing Healthcare (One off)	✓				
Preparedness for External Assessments (Adults)		✓			
Demand Management			✓		
Commissioning		✓			✓
Direct Payments	✓		Adv	✓	
Home Care/Support					✓
Adults and Public Health Assurance Framework			✓		

Topic	21/22	22/23	23/24	24/25	25/26 (P)
Adults Front Door			✓		
ASC Financial Control				✓	