

## APPENDIX 1

## Internal Audit Plan 2020/21

<u>Audit Area (Identified as part of Audit Needs Assessment)</u>	<u>Time Budget (Days)</u>	<u>Service Lead Area</u>	<u>Comments/Considerations</u>	<u>Key Risk Considerations</u>	<u>Key Objectives (An evaluation of risks and controls will form part of the audit process ). Preferred Timing (to be confirmed)</u>
1. Workplace Culture & Ethics ( <b>GOVERNANCE</b> ) ( <b>PRIORITY A</b> )	16	Corporate	Not previously audited. Highly recommended for inclusion in audit plans by professional auditing bodies (based on research into key risks facing organisations across all sectors) and promoted in audit standards (PSIAS).	Organisational values defined are not reflected or embedded in behaviours; if there is misalignment between organisational strategy, values and culture this may impact on the achievement of objectives and goals; associated reputational risks.	This will incorporate a focus on 'soft' controls and patterns of behaviour/attitudes to establish an insight into cultural dimensions . It will go beyond for example confirming the existence of strategies/policies in a particular area, but consider how effectively those policies and processes are being embraced and embedded to achieve the desired vision and values promoted by the Council . (Internal risk is predicated on the behaviour of staff )
2. Emergency Planning ( <b>REGULATORY</b> ) ( <b>PRIORITY A</b> )	11	Commissioning & Transformation	Audit due - last audited in 2016. Previously on Corporate Risk Register.	If there was a major Disaster in the borough, e.g. flooding, this may result in significant strain on delivery of council services	Review adequacy of arrangements in place for Emergency Planning and monitoring of service provision by 3rd Party.
3. Air Quality ( <b>REGULATORY</b> ) ( <b>PRIORITY A</b> )	11	Environmental Health	Not previously audited. Corporate Priority Area (Clean, Safe and Sustainable Environment)	Non- compliance with legislative requirements could result in public health issues and claims causing negative publicity as well as financial penalties from regulatory bodies;if strategies and action plans are not monitored the expected outcomes may not be achieved.	Assess adequacy of arrangements in place to ensure compliance with regulatory requirements and monitoring against national targets. Consider implications for Heathrow Expansion. <b>Auditee expressed preference for quarter 1</b>
4. IT Audit (Network Infrastructure) ( <b>INFORMATION TECHNOLOGY</b> ) ( <b>PRIORITY A</b> )	12	Commissioning & Transformation	3 year ICT Audit Plan agreed from 2019/20 to 2021/2022 following Audit Needs Assessment.	Unavailability of ICT systems impacts service provision; poorly designed networks compromise data security and increase the risk of cyber attacks.	Set out in ICT Audit Needs Assessment document of May 2019.

5. Income Generation - Commercial Assets & Investments <b>(FINANCIAL RESILIENCE / COMMERCIALISATION) (PRIORITY A)</b>	18	Regeneration & Growth	Annual Cycle. Significant financial value. Corporate Priority Area (A Thriving Future for All) . Corporate Risk Register.	If weak governance arrangements prevail, this may contribute to poor investment outcomes and increase exposure to financial risk including loss of anticipated rental income and poor investment returns. Inadequate arrangements to identify/raise /recover/monitor rental income due resulting in delays or non-collection; shortfall in achieving overall income target; late repayment of loans resulting in financial penalties; negative publicity resulting in reputational damage.	To ensure robust control processes and governance arrangements are operating effectively regarding the Councils commercial property acquisitions and investments. Review adequacy of systems in place to identify, collect, record and monitor rental income due following implementation of the new Property Management System. Assess implementation of new governance arrangements recently approved intended to strengthen audit trails relating to decision making.
6. Income Generation- Property Development <b>(BUSINESS DEVELOPMENT/HOUSING DELIVERY ) (PRIORITY A)</b>	12	Regeneration & Growth	Annual Cycle. Significant financial value. Corporate Priority Areas (Housing/A Thriving Future for All). Corporate Risk Register.	Failure to effectively identify service needs upfront, resulting in developments that are not suitable to meet long term community requirements. Inadequate monitoring arrangements in place for ongoing property development work, resulting in reduced quality outcomes and/or delays in the housing delivery programme increasing pressures in this area; poor value for money from contracted works ;failure to meet regulatory requirements .	To ensure robust arrangements are in place towards achievement of the housing delivery programme , and that the associated systems and processes are operating effectively, giving due regard to key governance requirements.
7. Climate Change <b>(GOVERNMENT POLICY/REGULATORY) (PRIORITY A)</b>	12	Commissioning & Transformation/Neighbourhood Services	Significant global threat - climate emergency declared. Corporate Priority Area (Clean, Safe and Sustainable Environment) Corporate Risk Register.	Climate change and extreme weather events impact on food systems, supply chains & procurement, economic productivity and losses. If the Council is not seen to be taking action it could result in criticism/bad press/public demonstration.	In view of the Governments commitment to net zero carbon emissions by 2050 , review the Councils arrangements, plans and monitoring mechanisms .
8. Core Financial System - Treasury Management <b>(FINANCIAL) (PRIORITY A)</b>	13	Accountancy	Annual Cycle (Significant value/volume of transactions)	Core Financial Systems - Financial losses and reputational damage due to fraud, collusion, theft, error, data manipulation or inefficient processes. Discrepancies between feeder systems and the main accounting system/general ledger are not identified/resolved promptly. System integrity issues may result in unsatisfactory customer experience and loss of confidence.	<b>Recommend quarter 3 or 4 for work to be undertaken to ensure greater coverage of transactions.</b> Key expected controls will be reviewed and tested for each core financial system audit.
9. Core Financial System - Creditors <b>(FINANCIAL) (PRIORITY A)</b>	13	Accountancy	Annual Cycle (Significant value/volume of transactions)		
10. Core Financial System - Payroll (to incorporate Election payroll) <b>(FINANCIAL) (PRIORITY A)</b>	14	Accountancy & Human Resources	Annual Cycle (Significant value/volume of transactions)		
11. Core Financial System - Sundry Debtors <b>(FINANCIAL) (PRIORITY A)</b>	13	Accountancy & Customer Services	Audit scheduled every 2 to 3 years.(Significant value/volume of transactions)		

12. Finalisation of prioritised audit assignments from 2019/20 <b>(PRIORITY A)</b>	10				
<b>Audit Days - Assignments</b>	155				
<b>Work to support delivery of the Internal Audit Service (See below)</b>	274				
Contingency/ unforeseen work (Confidential Investigations; Advice to Management on risk and control)/ Attendance at working groups/ Follow Up of Audit Recommendations / Statutory Requirements (PSIAS)/ Audit Committee Reports & associated processes /Member and Senior Management engagement/ Annual Review of Audit Effectiveness/ /Annual Audit Opinion/ Input to Annual Governance Statement/ External Audit liaison / Annual Audit Plan preparation & monitoring/Resource Planning/ Team & Service Management/ Contractor Monitoring /Professional Qualification and CPD training & miscellaneous . <b>Corporate Role</b> - Counter Fraud					
<b>Total Audit plan Days</b>	429				
<b>Current Resource available in Days (1.75 FTE plus Contractor)</b>	429				