

INTERNAL AUDIT PLAN 2021/22

AUDIT AREA (identified as part of audit needs assessment) audit support & reporting	CONTRACTOR / IN-HOUSE AUDIT RESOURCE	TIME BUDGET (DAYS)	SERVICE LEAD AREA & PLANNED TIMING	COMMENTS / CONSIDERATIONS	KEY RISK CONSIDERATIONS	OUTLINE OBJECTIVES (an evaluation of risks & controls will form part of the audit process to include an assessment of COVID-19 implications)
<p>1. COVID-19 Pandemic Response and Recovery workstream: (PRIORITY A) (i) Business Support Grants</p> <p>Corporate Priority Area - 'Economic Development and Recovery'</p>	IN-HOUSE	15	Customer Services (Business Rates) & Economic Development - Quarter 1	A number of new processes continue to emerge as part of the Authority's COVID-19 response and recovery effort. Independent assurance is recommended for higher risk areas to confirm activities have given due regard to adequate control processes and risk mitigation measures in safeguarding public funds. Business Support Grants remains a significant area with new and ongoing schemes.	Significant financial value associated with Business Support Grants administered on behalf of the Government (initial phase of payments made exceeds £13m); when new processes are set up within tight timeframes to respond to need there are increased risks of controls being compromised or overridden; complexity in administering multiple grant categories in adherence to government guidance; Fraud and Error leading to financial losses/reputational damage; delayed funding from central government impacts expected timeframes for delivery.	Key controls operating will be reviewed and tested to ensure eligibility, validity and accuracy of grant payments. Assessment of mitigation measures implemented to minimise fraud, bribery and error as well as adequacy of response (where fraud suspected or identified). Assess Business Support Grants administered (sample testing only) comply with central Government guidance, incorporate key expected controls and that pre- payment and post- payment assurance frameworks are effectively implemented.
2. COVID-19 Pandemic Response and Recovery	IN-HOUSE	8	Several Service Areas – Quarter 1	Significant reductions in Council revenue streams	Significant reductions in Council revenue streams with ongoing impact on the	Monitor initiatives and measures being taken to promote ongoing

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workstream: (PRIORITY A) (ii) Council revenue streams (including Services generating fees and charges) and planning for future service delivery Corporate Priority Area - 'Recovery'				have arisen as a result of Covid-19 (including Services generating fees and charges). Ongoing financial implications are highlighted by the Chief Finance Officer as part of monitoring and reporting to Members on the financial strategy.	Council's financial position; long term changes to consumer behaviour will affect generation of future income - fees and charges and other revenue streams.	financial recovery for key income generating service areas during challenging times.
3. COVID-19 Pandemic Response and Recovery - Risk Considerations (PRIORITY A) Corporate Priority Area - 'Recovery'	IN-HOUSE	10	Internal Audit in consultation with Group Heads and Managers; Coincides with Audit Committee reporting - 3 times a year March, July & November	Observations, risk considerations and wider / long term implications have been set out which may continue to evolve. Articulating the risks (and opportunities) emerging and evolving from COVID-19 in a documented risk	These have been identified and set out in the risk assessment, include a range of broad risk categories as well as specific risk areas and mitigation/control measures to manage risks. Some risks link closely to corporate priorities such as Financial Sustainability and Economic Development.	Development and facilitation of risk assessment work to continue to support the authority during the pandemic environment and as part of ongoing recovery phases. To ensure adequate arrangements are in place to identify, manage, prioritise, monitor and report on COVID-19 risks

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				assessment.		and opportunities emerging and evolving, supporting ongoing organisational resilience. Ensure the most significant risks (and opportunities) arising are prioritised for action and that application of positive practices arising from the lockdowns / new ways of working continue to apply.
4. Corporate Health and Safety (REGULATORY) (PRIORITY A)	IN-HOUSE	10	Health and Safety – Quarter 2 (no preference indicated)	Audit due - last audited in 2018. Significant risk implications. The pandemic has highlighted the criticality of having robust Health and Safety arrangements to safeguard staff and wider communities.	Serious injury or fatality; liability claims against the Council and/or individual officers may result in legal proceedings, reputational damage and financial losses; insufficient measures to protect staff and wider communities in the pandemic environment.	To ensure robust Health and Safety plans and arrangements are in place to safeguard staff and wider communities; to ensure effective coordination, implementation, reporting and monitoring of Health and Safety measures (including those relating to Covid- 19) across key Service

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						Leads.
5. Emergency Planning (REGULATORY) (PRIORITY A) Audit Review deferred from 2020/21 at request of Management	IN-HOUSE	11	Comm & Transformation - Quarter 4	Audit due - last audited in 2016. Corporate Risk area. The pandemic has highlighted the criticality of having robust Emergency Planning arrangements to assist in any Emergency response effort.	Examples include a major Disaster in the Borough, such as flooding / fire or global pandemic, resulting in significant strain on delivery of council services and impact on wider community / Borough and beyond.	Review adequacy of arrangements in place for Emergency Planning and monitoring of service provision by 3rd Party / collaborative working. Assess the level of emphasis given to pandemic scenarios / crisis response planning. Consider how any "lessons learnt" from the COVID-19 emergency response may help to further enhance future Emergency Planning arrangements.
6. IT Audit (Cyber Security) (INFORMATION TECHNOLOGY) (PRIORITY A)	CONTRACTOR	12	Comm & Transformation - Quarter 4	3-year ICT Audit Plan agreed from 2019/20 to 2021/2022 following Audit Needs Assessment. Also highly recommended for	Heightened risk of cyber / security threats in the current pandemic environment continues as opportunists take advantage of vulnerabilities.	To ensure the Council has robust control processes, defences, policies and monitoring procedures in place to minimise the risk and reduce the impact of cyber security

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				regular inclusion in audit plans by professional auditing bodies (based on research into key risks facing organisations across all sectors for 2021).		threats/attacks, giving consideration to specific threats such as Malware/trojan virus/phishing and identity theft; to ensure that response and recovery plans (should cyber-attacks occur) are regularly reviewed; to ensure awareness raising of cyber security threats continues amongst all Council staff and that this is maintained with the rapidly emerging risks in this area.
7. Income Generation - Commercial Assets & Investments FINANCIAL RESILIENCE COMMERCIALISATION (PRIORITY A)	CONTRACTOR	14	Regeneration & Growth - Quarter 3 or 4	Annual Cycle. Significant financial value. Corporate Priority Areas. 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	To ensure robust control processes and governance arrangements are operating effectively regarding the Councils commercial assets and investments. Review adequacy of systems in

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Corporate Priority Area - 'Recovery'					arrangements to identify / raise / recover / monitor commercial rental income due resulting in delays or non-collection; shortfall in achieving overall income target exacerbated due to pandemic; late repayment of loans resulting in financial penalties; negative publicity resulting in reputational damage.	place to identify, collect, record and monitor rental income due, considering enhanced monitoring arrangements in pandemic environment. Assess implementation of any new governance arrangements intended to strengthen audit trails relating to decision making. Assess evolving COVID-19 Risk and Control Implications. Consider Financial Peer review (LGA) recommendations of January 2021.
8. Income Generation - Property Development (BUSINESS DEVELOPMENT / HOUSING DELIVERY) (PRIORITY A)	CONTRACTOR	12	Regeneration & Growth - Quarter 3 or 4	Annual Cycle. Significant financial value. Corporate Priority Areas. 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	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

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Corporate Priority Area - Affordable Housing; Supporting communities					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. There may be an increased emerging risk associated with untimely delivery of the work programme and completed developments (translated to housing units). The dependencies on Contractors / Suppliers / materials / Consultants / Workforce availability as well as Health and Safety measures are ongoing considerations during and beyond the pandemic and following the departure from the EU.	requirements. Advise as appropriate and monitor any emerging risks/ new practices. Continue to assess COVID-19 Risk and Control implications. Consider Financial Peer review (LGA) recommendations of January 2021.

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<p>9. Economic Development</p> <p>(PRIORITY A)</p> <p>Corporate Priority Area - 'Recovery'</p>	CONTRACTOR	12	Comm & Transformation Neighbourhood Services - Quarter 4	Significant and prevailing risk area arising from Covid-19. Links with COVID-19 recovery workstream. Corporate Priority Area. Corporate Risk Register.	Economic recession forecast to be the worst in 300 years with detrimental impact locally, nationally and globally; long period of economic recovery; rising unemployment levels places increasing demands on a range of Council Services; significant economic impact on local area due to proximity to Heathrow airport; economic recovery adversely impacted by extended lockdowns; changing consumer behaviours are likely to have long term implications for the High Street / Town Centres.	Review the Councils plans, activities, reporting arrangements and monitoring mechanisms for supporting medium and long-term economic recovery.

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10. New Committee System (GOVERNANCE) (PRIORITY B)	IN-HOUSE	9	Committee Services Corporate Governance - Quarter 3	New Area - not previously audited. Audit input has been requested.	Key objectives of the new Committee system of governance are not effectively achieved, impacting the overall success of the project; delayed or weak decision-making processes may impact council business and timeframes; delivery of the project is time critical to ensure smooth transition.	To consider robustness of the new Committee system due to be implemented in May 2021. Assess in terms of delivering governance objectives around transparency / accountability etc and enabling strengthened decision making. (Note this audit work is not intended to be a post-implementation review but may assist to feed into this post project phase due to be undertaken by the Committee Services team)

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11. Core Financial System - Treasury Management (FINANCIAL) (PRIORITY A)	CONTRACTOR	13	Accountancy - Quarter 3 or 4	Annual Cycle (Significant value / volume of transactions)	Core Financial Systems - Financial losses and reputational damage due to increased risks of fraud and error in the current pandemic environment; collusion, theft, data manipulation, inefficient processes or relaxation of controls in remote working environment. 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. Reduction in collection rate due to the pandemic.	Key expected controls will be reviewed and tested for core financial system audits of Treasury Management, Creditors, Payroll and Council Tax. Assess COVID-19 Risk and Control implications for the administration of core financial activity including increased levels of spend; reduced revenue and impact of deferred recovery action on income due; decrease in overall collection rates arising from schemes such as Council Tax assistance; cash flow challenges; reduced opportunities to maximise investment returns; financial losses.
12. Core Financial System - Creditors (FINANCIAL)	IN-HOUSE	13	Accountancy - Quarter 3	Annual Cycle (Significant value / volume of transactions)	As detailed above	As detailed above

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(PRIORITY A)						
13. Core Financial System - Payroll - to incorporate HR recruitment and on- boarding processes (FINANCIAL) (PRIORITY A)	IN-HOUSE	12	Comm & Transformation Human Resources & Payroll – Quarter 3 or 4	Annual Cycle (Significant value / volume of transactions)	As detailed above	As detailed above
14. Core Financial System – Main Accounting (FINANCIAL) (PRIORITY B)	IN-HOUSE	5	Accountancy - Quarter 3 or 4	Audit scheduled every 2 to 3 years. Light touch review to facilitate identification of key risks and control measures (assurance template).	As detailed above	As detailed above
15. Core Financial System – Council Tax (FINANCIAL)	IN-HOUSE	12	Customer Services - Quarter 3	Audit scheduled every 2 to 3 years. Introduction of Council Tax	As detailed above	As detailed above

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(PRIORITY A)				Assistance Scheme from 2020 relating to the pandemic response.		
16. Budget Process (FINANCIAL) (PRIORITY B)	IN-HOUSE	6	Accountancy - Quarter 1 or 2	Some audit input has been requested.	If the budget process does not align with corporate processes the Council's activities may not reflect Corporate or Service priorities; increased financial pressures in the current environment accelerate the need to seek opportunities for continued efficiencies.	To provide audit input to a planned review of the budget process, advising as appropriate on budgetary approaches and ensuring mechanisms are established for effective coordination with corporate processes.
17. Completion and finalisation of prioritised audit assignments from 2020/21 (PRIORITY A)	IN-HOUSE	20	Various service areas – Quarter 1	Completed audits will feed into the annual assurance opinion of the authority's control environment for 2020/21.	Previously reported in 2020/21 Plan.	Previously reported in 2020/21 Plan.

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18. Audit support – Planned Advisory work (PRIORITY B)	IN-HOUSE	17	Corporate initiatives and Service Areas - Quarter 1 & some work may be ongoing during the year	(a) Monitor progress with key Corporate Initiatives (b) Service Requests: (i) Council's preparedness for new Building Safety Bill 2022 (ii) Liaison with Environmental Health on meeting statutory obligations in the current pandemic (iii) Housing information systems (iv) Neighbourhood Services -	(b) Service Requests: These relate broadly to increased responsibilities and liabilities for local authorities associated with emerging legislation (Building Safety Bill); adherence to statutory requirements; incomplete information across systems may impact the effectiveness of decision making; health and safety risk considerations. Other specific risks will be identified further as part of advisory and monitoring work undertaken.	(a) Audit oversight on significant corporate initiatives, advising as appropriate on risk and control implications. (b) Collaborating with Managers to provide insight on specific service requests with a view to highlighting any key matters arising

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				Transport (across operations such as Refuse Collection and Street Cleansing)		
<p>19. Statutory Reporting - Audit Committee & Member liaison meetings</p> <p>(PRIORITY A)</p> <p>(Various associated processes including annual audit planning, annual internal audit effectiveness review, annual audit report, audit opinion and input to the AGS, audit charter review, progress reports, Audit Committee training etc)</p>	IN-HOUSE	43	Internal Audit, Committee work programme and reporting 3 times a year plus ongoing liaison as required during the year.	Mandatory Public Sector Internal Audit Standards (PSIAS)	If Internal Audit do not report periodically to the Audit Committee, this will reduce the effectiveness of the Authority's governance arrangements, reduce visibility of the Council's risks and outcomes from Internal Audit's independent assurance work	In accordance with the Audit Committee work programme including Plans, Charter, progress reports, annual effectiveness review, annual audit report and opinion, governance reporting etc

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20. Audit Follow Up (PRIORITY A)	IN-HOUSE	11	Internal Audit, Committee work programme and reporting 3 times a year	Periodical follow up of audit recommendations forms part of audit standards and key monitoring processes (PSIAS). It contributes to demonstrating value added in mitigating / managing Council risks.	If medium to high-risk audit recommendations are not implemented this will impact the robustness of internal control systems, risk management and governance arrangements.	To ensure that where audit recommendations have been agreed by Management, they are being implemented. Reporting to the Corporate Management Team and Audit Committee on the status of audit recommendations and direction of travel, in particular any medium / high risk recommendations that remain outstanding.

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Total Audit Days - Assignments, Audit Support & Statutory Reporting	265
Corporate Roles:	
Corporate Counter Fraud	40
Corporate Risk Management	
All other work to support the authority and delivery of the Internal Audit Service (See below)	
Contingency / unforeseen work (Confidential Investigations; ad hoc advice to Management on emerging risks / new and developing processes); V-BEC and staff Briefings / Working groups / External Audit liaison / Plan monitoring / Team & Service Management / Contractor appointments and Monitoring / Corporate tasks / Professional and CPD training / miscellaneous tasks	124
Total plan Days	429
Current Resource available in Days (1.75 FTE plus Contractor)	429
Shortfall in Days	0
Days Available After Deduction for Annual Leave & Bank Holidays & Sickness Absence Provision	
PT - Part Time 0.75 FTE	161
PP - Full Time 1 FTE	218
Contractor	50
Total	429