

London Borough of Hackney

Internal Audit Annual Plan 2024/25

1. Introduction

1.1 The remit of the Audit Committee as detailed in the terms of reference is: -

‘To provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment. It provides independent review of Hackney’s governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.’

1.2 A key element of this consideration is the Annual Internal Audit Plan which provides details of the audit service’s operational approach, working methods and specific audits to be undertaken.

1.3 This document sets out the division of responsibilities between the Internal Audit Service and managers, and presents the Annual Internal Audit Plan and Key Performance Measures for 2024/25.

2. Statutory Requirements

2.1 The Council’s Internal Audit Service is delivered in accordance with a regulatory framework comprising: -

- Section 151 of the Local Government Act 1972 which requires every local authority to ‘make arrangements for the proper administration of their financial affairs’.
- The Accounts and Audit Regulations 2015 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 2013 (PSIAS), as updated in 2017. These standards set out what is meant by ‘proper internal audit practices’. These are mandatory standards.
- The Council has delegated to the Interim Group Director Finance (the Council’s Section 151 Officer) day to day responsibility to ensure the provision of a high quality internal audit service. The service is therefore required to work to professionally defined standards and in close liaison with the Interim Group Director Finance.
- The regulations also require the Council to undertake an annual review of its corporate governance arrangements which includes its internal control systems and publish as part of its final accounts arrangement, an Annual Governance Statement (AGS) that provides assurance with regard to governance arrangements.

2.2. The key elements utilised to meet the statutory requirements are: -

- The agreed strategic approach to the provision of audit services in the longer term
- The Internal Audit Annual Plan covering specific reviews for a given year

- The incorporation of best practice information/publications produced by relevant professional bodies
 - The provision of working procedures within the Internal Audit Service
- 2.3 The Internal Audit Charter and the Internal Audit Strategy both reflect the requirements of the PSIAS. These standards require a risk-based plan that sets out how the internal audit service will be provided and developed in accordance with the Charter and how it links to the Council's objectives and priorities.

3. Main Objectives

- 3.1 The overall objective of the Internal Audit Service is the provision of a high quality, independent and objective service that effectively meets: -
- The statutory requirements placed on the Council
 - The individual needs of customers and stakeholders
 - The wider needs of Hackney and its community
 - The professional standards set for the provision of internal audit services.
- 3.2 Internal Audit's key objectives are to:
- Add value, improve operations and help protect public resources.
 - Provide assurance that the Council's operations are being conducted in accordance with external regulations, legislation, internal policies and procedures.
 - Provide assurance that significant risks to the Council's objectives are being identified and managed through delivery of the Audit Plan covering key areas of Council activity.
 - Provide independent assurance over the Council's risk management, internal control and governance processes.
 - Provide advice and support to management to enable an effective control environment to be maintained.
 - Promote an anti-fraud, anti-bribery and anti-corruption culture within the Council to aid the prevention and detection of fraud.
 - Investigate allegations of fraud, bribery and corruption (this is undertaken by the Audit Investigation Team).
 - Promote and develop risk management processes and awareness across the Council.
 - Provide an annual audit opinion based on the work of internal audit together with other sources of assurance.
 - Ensure that the statutory requirements of the Accounts and Audit Regulations 2015 in relation to a published Annual Governance Statement (AGS) are met.
 - Provide a comprehensive service to management in the specialist areas of computer audit and investigations.
 - Ensure a planned approach to anti-fraud initiatives and develop this function as an expanded initiative in the work of the Anti-Fraud Service.
 - Undertake work in developing our partnership working arrangements with external agencies, including External Audit.

4. Division of Responsibilities

- 4.1 It is management's responsibility to establish and maintain a sound system

of internal control and to prevent and detect irregularities and fraud by ensuring that risks are properly managed. Their responsibility involves: -

- ensuring the objectives/intentions of the Council are delivered (including those outlined in plans, policies & procedures) and are in compliance with the laws/regulations under which the organisation operates
- ensuring the reliability of data and information used either internally or reported externally
- safeguarding the Council's resources
- promoting efficient and effective operations which safeguard against the risk of fraud

4.2 Internal control is an integral part of managing operations and as such internal auditors independently review how effectively management discharges this aspect of its responsibilities by evaluating the effectiveness of systems and controls and providing objective analysis and constructive recommendations. Management retains full ownership and responsibility for the implementation of any such recommendations.

5. Audit Resources

5.1 The Council is required to provide sufficient resources to enable an adequate and effective Internal Audit service to be delivered that meets its objectives. Internal Audit should have appropriate resources in order to meet its objectives and comply with the PSIAS. The current level of resources is considered sufficient to develop and ensure delivery of the Audit Annual Plan and provide the necessary assurance on the effectiveness of the system of internal control.

5.2 Audit Establishment

The Corporate Head of Audit, Anti-Fraud & Risk Management oversees the work of the Division. The Audit and Anti-Fraud Service consists of three distinct functions, a restructure of the service was completed during 2022/23 and operational internal audit capacity remains unchanged following this.

Internal Audit Team

An in-house team is responsible for the delivery of the Annual Audit Plan. The team comprises the Corporate Head of Internal Audit, Anti-Fraud and Corporate Risk Management, the Internal Audit Manager and four audit staff.

IT Audit resource

The Council also has a three year contract in place with an independent company which provides specialist IT audit skills to perform the technical aspects of ICT audits within the plan.

5.3 Analysis of Operational Time

An analysis of operational time has been performed to calculate the resource available for audit activity. This analysis makes allowance for 'non-available' time (corporate management, external audit liaison, staff meetings/briefings, training, etc) and non-operational time such as annual leave. After making allowances for these areas, a net amount of productive operational time is available for audit/project work.

5.4 Available Audit Time

During 2024/25 it is estimated that operational time available for delivery of the 2024/25 internal audit plan will be 678 days, in addition to 95 audit days as a contingency to complete the 2023/24 plan, undertake audits on a reserve list and other non-scheduled work.

Table 1: Operational Days Available 2024/25

	Internal Audit Service	Percentage %
Gross Days Available	1404	100%
<u>Less Indirect Time:</u>		
Management/Advice*	-322	23%
Leave, training, etc.	-225	16%
Vacancy drag	-84	6%
Contingency allowance for completion of 2023/24 audit plan; potential delivery of audits on the reserve list; and capacity to review areas identified for audit in-year	95	7%
Operational Days Available for delivery of the 2024/25 plan	678	48%

**This includes all available time of the Corporate Head of Audit, Anti-Fraud & Risk Management.*

6. The Audit Approach

- 6.1 Internal Audit is responsible for providing independent assurance on the adequacy of the Council's internal control framework. This is delivered through an opinion included as part of the Annual Audit Report. The opinion is derived from the results of audit activity as set out in the Annual Audit Plan, which focuses on areas of highest risk. Following each audit a report is produced for management with recommendations (categorised as High, Medium or Low) for improvement.
- 6.2 Each report contains an opinion on the level of internal control operating within the area being audited, ranging from 'Significant' to 'No' Assurance. The annual assessment of the Council's overall internal control environment is based on an overview of the level of assurance applied to each area audited. The annual opinion then forms part of the review of the effectiveness of the Council's governance framework and is included in the Annual Governance Statement.
- 6.3 The Audit Plan is a flexible and dynamic resource planning tool which, in order to remain relevant, may be revised and adjusted during the year in response to a constantly changing environment and the need to reflect changes in the Council's risks, operations, systems and controls. Where such changes are required, details will be reported to management and the Audit Committee as part of the regular progress reports.
- 6.4 The Audit Plan is prepared based upon a risk assessment methodology which takes into account the size of the risk or exposure, the likelihood that the risk will materialise and any mitigating controls in place. Known areas of change within the Council and externally (e.g. legislation) are also

considered. The main factors taken into account in compiling the Audit Plan consist of: -

- Materiality and significance based upon budgets and volumes of transactions.
- Consideration of the Council's strategic risk register, directorate/service level risk registers and corporate objectives.
- Changes to the control environment and significant legislative changes.
- Key governance issues as identified during the previous year's AGS process.
- Concerns and emerging risks as identified through consultation with management teams, external audit and other relevant bodies.
- National and London wide horizon scanning which identifies public sector emerging risks and themes for consideration as part of audit planning.
- Cross fertilisation of risks and themes with Counter fraud work, to ensure that significant fraud risks are managed.
- The need to comply with the PSIAS.
- Previous audit history and assurance level in specific areas including follow up work.
- Other sources of assurance.

- 6.5 A risk mapping exercise is undertaken to assist the plan preparation. This compares the current key risks facing the Council to audit work undertaken in recent years to identify any areas of concern that have not been audited, or which resulted in a lower level of assurance when they were reviewed. The results of the 2024 mapping exercise are provided as Annex 1.
- 6.6 Wherever possible, Internal Audit will take assurance from management's oversight of the control framework, and the results of the inspections performed by any other review bodies, for example Care Quality Commission and Ofsted.
- 6.7 The service places great emphasis on an integrated approach to its work that links systems, regularity and computer reviews for specific areas to the service's work on anti-fraud initiatives in what are considered key risk areas.
- 6.8 The approach outlined above ensures that the Audit Plan is supportive of Directors and Senior Management in delivering the strategic priorities and corporate improvement priorities of the Council, provides an opinion on the overall internal control environment and gives assurance that all directorates/services are covered in a given period and that the approach is consistent throughout the Council. All of which are key to good corporate governance.
- 6.9 Individual risk assessments on project work are also undertaken and audit reports provide management with advice on risk issues as part of the scope developed for each audit review.
- 6.10 In addition to ensuring that audit resources are directed to those areas of greatest risk to the Council achieving its objectives, audit activity will also include the following strands:

- Coverage of the Council's key financial systems on a regular basis, to ensure that core assurance is provided.
- Compliance reviews in certain areas, such as the Borough's schools to ensure that every school receives a review once every 4 years, but more frequently where a risk assessment indicates that the risk landscape has changed (such as a change in school leadership, impending academisation or closure, discussions with Hackney Education). In appropriate circumstances school reviews will be undertaken through the use of Internal Control Questionnaires.
- Follow up audit work to ensure that recommendations are addressed within the agreed timescales and that where audits received no or limited assurance, a subsequent visit can provide assurance that control weaknesses have been addressed.
- Unforeseen work can arise due to new areas of service provision, management requests or emerging risks which are appropriate to audit within the year. In order to allow some flexibility, a contingency allowance is included to enable such work to be undertaken without adversely affecting delivery of the planned audit work.
- Whilst the majority of audit work can be planned ahead, there are occasions when audits cannot be undertaken (for example, significant change takes place in the audit area). In these circumstances, the audit may need to be deferred, or may be replaced in agreement with the relevant manager.

6.10 Details of the reviews included in the Annual Audit Plan for 2024/25 are attached as Annex 2. Key areas of activity that in the past were reviewed annually will in future be reviewed as indicated by a risk assessment, other audits are included which reflect key risks identified through the risk management process and which were considered by the Audit Committee during the year.

7. Audit Anti Fraud Work

7.1 The assurance work that Internal Audit undertakes is supplemented by the Division's counter-fraud and risk management activity. Reactive counter-fraud referrals are received regularly. These invariably require urgent priority attention and sometimes develop into more wide-ranging projects which might encompass entire systems or business areas.

7.2 Resources from the investigation teams are also used to carry out proactive reviews. During the year the team will focus on a variety of areas within the services run by the Council and will carry out anti-fraud initiatives utilising a variety of techniques, linking this with the work of Internal Audit.

8. Performance Management

8.1 It is important that the effectiveness of the work of Internal Audit is monitored and reported in order to comply with the requirements of the Accounts & Audit Regulations 2015 and to provide the necessary assurance to Members and management as to the adequacy of the Internal Audit function. There is a range of performance criteria for Internal Audit which is monitored throughout the year and reported to the Audit Committee as part of the regular progress reports for the service.

8.2 Client Liaison

The Internal Audit Service issues satisfaction surveys to auditees at the end of each review. Responses received are used to assess any areas for improvement and enable action to be taken to rectify matters.

8.3 Key Performance Indicators (KPIs)

The objectives of the service for 2024/25 and the KPIs which will be used to measure cost and efficiency, quality, and client satisfaction are shown in Annex 3.

9. Audit Skills and Experience

9.1 Members of the Internal Audit Service have appropriate skills, holding relevant professional qualifications including CIPFA, IIA, and AAT, and have considerable experience in internal audit both in the public and private sector.

9.2 Individual officers have a personal responsibility to undertake a programme of continuing professional development to maintain and develop their competence. This is achieved through professional training, attendance at seminars, and in-house training courses. Training needs are assessed on an ongoing basis.

9.4 Staff continue to be trained to ensure that the needs of the service and personal development requirements are met. A variety of training initiatives are planned during the year including: -

- Continuous personal development opportunities
- Membership benefits of CIPFA's Better Governance Forum include an annual programme of events designed to ensure that audit and anti-fraud staff keep abreast of current developments
- London Audit Group participation to keep abreast of pan London initiatives

These training and development initiatives provide members of the division with the necessary skills to assist in the achievement of the audit plan.

9.5 When technical skills are required and it is not cost effective to develop and maintain these skills in house, an external provider is used (e.g. specialist IT auditing skills are brought in to cover the technical IT audits).

Risk Mapping - Current corporate risks compared to Internal Audit activity since 2019/20

No.	Risk area	Risk score and date added to the Corporate Register	Previous IA review title	Date of previous IA review (2019/20 onward) and overall assurance rating	Proposed 2024/25 Internal Audit Plan activity
1	Cost of living crisis and National & Economic downturn (Incl council finance risk, MTFP, spending commitments, commercialisation)	25 (Cost of Living Risk 2023, Economic Downturn 2011)	<p>Money Hub</p> <p>Public Interest Reports</p> <p>Key financial systems (KFS) including main accounting system, accounts receivable & payable</p> <p>Council Grants</p> <p>Financial resilience</p>	<p>23/24 Reasonable</p> <p>23/24 in progress</p> <p>KFSs are audited every year, including 2023/24</p> <p>21/22 Significant</p> <p>19/20 Significant</p>	<p>Key Financial Systems</p> <p>Various areas of activity in relation to costs including -</p> <ul style="list-style-type: none"> • Collection of care charges • Coronial recharges • Council tax discounts • SEND • Section 17 spend • Telephony billing • Leaseholder debt recovery
2	Management of the capital programme	15 (2016)	<p>Treasury Management</p> <p>Housing supply programme</p> <p>Audit Committee deep dive - capital projects</p> <p>Housing capital budget</p> <p>Major works billing</p>	<p>22/23 Significant</p> <p>22/23 Reasonable</p> <p>20/21 n/a</p> <p>19/20 Reasonable</p> <p>19/20 Limited</p>	<p>Capital Programme</p> <p>Major Works - Leaseholder Billing</p>
3	Pension fund - pressures to deliver returns to meet liabilities	12 (2016)	<p>Pensions investments</p> <p>Membership data</p>	<p>23/24 In progress</p> <p>22/23 Significant</p>	<p>IA reviews in the last 2 years, no planned activity for 2024/25</p>

4	Impact of new legislation Incl homelessness reduction act, gdpr, care act, environment bill, covid legislation, building safety bill	12 (2017)	Fire safety risks Searchlight system - data security IR35	22/23 Reasonable 21/22 Significant 19/20 Limited	Procurement Act 2023
5	Workforce & skills Covid impacts, technology impacts, motivation, HR procedures, consideration in strategic plans	12 (2016)	Equal Pay Organisational Culture ICT homeworking support Recruitment & Retention payments	23/24 In progress 23/24 In progress 22/23 Reasonable 19/20 Significant	Temporary recruitment (non-Matrix) Honorarium payments & market supplements
6	Cyber/information security - risk of further attacks and security arrangements in place	15 (2016)	ICT Security Cloud Platform Other assurance - NCSC, BAe Systems, Mazars review	23/24 In progress 23/24 In progress October 2020 - December 2021 - n/a	2 key system reviews (Mosaic and Synergy)
7	Information assets - IM policy, GDPR compliance, info sharing	16 (2016)	ICT homeworking support GDPR - incident management	22/23 Reasonable 20/21 Reasonable	Freedom of Information Act requests
8	Corporate resilience - ICT recovery, BCPs	15 (2016)	Cloud platform Corporate response to Covid19 - business continuity	23/24 in progress 20/21 Reasonable	Disaster Recovery and Backup Arrangements
9	Person suffers significant harm/injury/death - CYPS, AHI - local	15 (2011)	Residential placements - LAC Public Health	23/24 Significant 23/24 in progress	Housing legal disrepair Care provider capacity

	safeguarding board, child protection procedures, adult safeguarding		Commissioned Services - Substance Misuse Safeguarding Adults Local safeguarding children's partnership Fire safety risks	23/24 Reasonable 22/23 Significant 22/23 Reasonable	
10	SEND - escalating demand and budget	25 (2017)	SEND transport Audit Committee deep dive - SEND	19/20 Reasonable 19/20 n/a	SEND Section 17 payments
11	Safeguarding - pupils not in school settings	16 (2018)	Safeguarding - children not registered in school Follow up Safeguarding - children not registered in school	21/22 Significant 19/20 Limited	No planned coverage in 2024/25 given significant assurance review recently
12	Unregistered school settings - pupils at risk, coordination, multi agency response	16 (2018) - Safeguarding and Unregistered Settings were merged in 2022.	Joint agency funding children with complex needs	23/24 In progress	Unregistered settings
13	Surplus school places New risk	20 (2023)	Falling school roll numbers	23/24 In progress	No planned coverage in 2024/25 given the current audit that is in progress
14	Pressure on Temporary Accommodation	25 (2017)	No recent activity		Temporary Accommodation finance function Lettings process
15	Universal Credit - ability to manage finances, pay	20 (2018)	Money Hub (LBH service to maximise welfare payments)	23/24 Reasonable	No planned coverage in 2024/25 given two related audits were

	rent, reputational as need to support		to vulnerable residents) Rent arrears incl UC claimants	23/24 In progress	included in the 2023/24 plan
16	Council owned companies	12 (2019)	Public Interest Reports issues Company management - governance	23/24 In Progress 21/22 Reasonable	Current review that includes consideration of this risk, no planned coverage in 2024/25
17	Insourcing	12 (2019)	Audit Committee deep dive - insourcing	19/20 n/a	Insourcing
18	Climate change	15 (2018)	LTN process	22/23 significant	Climate change organisational engagement & risk management (Q1 review, deferred from 2023/24)
19	Recruitment & Retention of workforce	16 (re-escalated in 2023)	Recruitment & Retention payments	19/20 significant	Legal capacity Honorary payments & market supplements
20	Reduction in the use of residential placements (looked after children and care leavers)	16 (2023)	Residential Placements	23/4 significant	Recent significant assurance review, no activity planned for 2024/24
21	Adult social care budgets	16 (2024)	Direct payments financial assessment	23/24 in progress	Collection of care charges Care Provider Capacity Residential Care Coronial Recharges
22	Failure of Education Synergy system (NB risk may expand to include Housing Management and Mosaic)	16 (2024)	New risk area	n/a	Synergy System

DRAFT INTERNAL AUDIT PLAN 2024/25			
Assignment	Days	High Level Scope/Coverage	Reason for Audit
CORPORATE - CROSS-CUTTING			
AGS co-ordination 2023/24 & 2024/25	25	Information gathering from across the organisation to support the production of the Council's AGS.	Core Compliance
Insourcing	15	The impact of Insourcing on service delivery.	Organisational Risk
Grants Certification	5	Compliance with the T&C of Grants that require Internal Audit Certification.	Regulatory Compliance
Review of Lettings	15	Process that influences the Council's capacity to minimise TA risks	Organisational risk; Regulatory Compliance
Climate Change/Zero Tolerance	15	Corporate review of the Climate Action Plan	Organisational risk; Assurance
SUB TOTAL CROSS CUTTING	75		
CHIEF EXECUTIVE'S			
Legal, Democratic & Electoral Services			
Voluntary & Community Sector -	5	Management request for advisory support as changes are considered	Assurance
Legal Services	15	Capacity for legal work and how this might impact other services	Management Request. Assurance. Operational Risk
Human Resources			
LBH Recruitment & Retention / Workforce	15	Focus on temporary recruitment concerning costs. Review of non-standard suppliers (processes and costs).	Compliance with corporate processes. Assurance.
Honorarium and market Supplement	15	Governance arrangements, processes, and procedures of honoraria payments and market supplements.	Management Request. Assurance
Establishment Control	15	Accuracy of establishment records.	Management Request. Compliance. Assurance
SUB TOTAL CHIEF EXEC'S	65		
CHILDREN & EDUCATION			
Children & Families			
C&E SEND	15	High corporate risk with significant financial and service user consequences	Organisational Risk & Regulatory.

DRAFT INTERNAL AUDIT PLAN 2024/25			
Assignment	Days	High Level Scope/Coverage	Reason for Audit
Permanent exclusions	15	Processes and governance	Management Request. Assurance, Regulatory
Section 17 spend, incidental spend	15	Area of increasing spend.	Management Request. Assurance & Financial Risks
C&F Children with Disabilities	15	The arrangements in place support transition from Children to Adult support for children with disabilities.	Management Assurance & Compliance
Supporting Families Programme Grant	12	Quarterly Review	DfE Compliance, Assurance
Education & Schools			
Schools Overview Report 2023/24	5	Summary of previous year's audits detailing key themes.	Annual Summary
Compliance review for schools based upon a risk assessment & cyclical review, 11 this year.	55	All schools receive an audit at least every 4 years.	Compliance
Unregistered Settings	15	Unregistered centres are neither known to, nor inspected by Ofsted, raising potential issues relating to the wellbeing and safeguarding of children and young people in the borough.	Management Request
SUB TOTAL C&E	147		
ADULTS, HEALTH & INTEGRATION			
Adult Services/Public Health			
Mortuary	10	Statutory Review	Annual Audit
Care Provider Capacity - Fragility of the Care Provider market	15	Pressures on the provider market and social care workforce. National concerns around provider failure.	ASC Risk Register, Management request. Assurance, Financial & Reputational Risks
AH&I Public Health - Partnership relationship between LBH & City of London	15	LBH delivers the public health budget on behalf of the City of London. Review to focus on the governance and capacity under the Hackney/City model.	Management Request. Assurance, Governance & Regulatory Risks
Coronial Charges	10	The recharge cost has increased significantly.	Management Request. Assurance. Financial & Legal Risks
Collection of Care Charges	15	Processes to monitor Care Charges debtors	Management request. Assurance. Financial Risks
Residential Care	15	Assurance review considering recovery from the cyber attack	Assurance

DRAFT INTERNAL AUDIT PLAN 2024/25			
Assignment	Days	High Level Scope/Coverage	Reason for Audit
Public Health Commissioned Services - Substance Abuse	15	Management request	Management Request. Assurance
SUB TOTAL AHI	95		
FINANCE & CORPORATE RESOURCES			
Financial Management			
Main Accounting System	15	Cyclical review	Core Financial System
Banking	15	Cyclical review	Core Financial System
Capital Programme	15	Not audited since 2018/19 Focus on inflationary pressures.	Assurance. Financial Risks
Grant Monitoring	15	Governance and processes around the monitoring of Grants across the Council. Grant determinations and certifications.	Compliance.. Financial & Regulatory Risks
Procurement			
Transforming Procurement - Procurement Act 2023	15	The Council's readiness for the Oct 2024 deadline of implementing the Procurement Act 2023	Assurance. Compliance. Regulatory Risks
Strategic Property			
Commercial Voids	10	Assurance on the voids arrangements	Management request. Assurance
Rev's & Ben's			
Temporary Accommodation	15	Review of alternative processes introduced following the cyber attack.	Management Request. Assurance
Council Tax	15	Council Tax discounts (SPD, empty property, etc)	Compliance
SUB TOTAL FCR (EXCL ICT)	115		
ICT			
Freedom of Information FOI	10	Response times are acknowledged as an issue and a plan is being developed to improve response times.	Deferred from 2022/23. Management request.

DRAFT INTERNAL AUDIT PLAN 2024/25			
Assignment	Days	High Level Scope/Coverage	Reason for Audit
Telephony and network connections	10	Previously had issues with the application of controls to manage high-use users, application of tariffs, and usefulness of billing information. Review to identify if control upgrades are resulting in value for money, effective management information, etc.	Management Request. Reputational risk. VfM
Mosaic	12	Mosaic has been reimplemented. Review to determine how this has gone.	Management Request. Reputational risk
Synergy	12	Known issues with how the Synergy system integrates with the LBH ICT infrastructure. Provide assurance on the system status and the adequacy of planned actions.	Management Request. Assurance. System Risks
Disaster recovery and Backup arrangements	10	Work is underway to deliver planned improvements in these areas, and to consider audit recommendations arising from the 2023/24 plan.	Management Request. Assurance
Change Management	15	ICT processes in relation to key HR activities, such as starters and leavers.	Management Request. Assurance. Financial Pressures.
Schools	3	Cybersecurity arrangements.	Management request
Follow up of recommendations	4		
SUB TOTAL ICT	76		
CLIMATE, HOMES & ECONOMY			
Housing			
TMOs - risk-assessed coverage 2 x TMO per year	20	Cyclical review of Council TMOs	Risk Assessment. Assurance
Cranston TMO - Follow-up Review	10	Review of recommendations and action plan following a Limited Assurance review.	Assurance
Housing Legal Disrepair	15	Process and governance review of a corporate risk with significant financial and service user impacts.	Assurance. Legal & Regulatory Risks. Reputational Risks.
Installation & Service of Gas Boilers	15	Assurance review of a critical function.	Management request. Assurance. Safety Compliance & Regulatory Risks
Complaints Handling - Housing	15	Concerns raised by the Housing Ombudsman about handling complaints.	Assurance , Reputational Risk
Environment and Climate Change			

DRAFT INTERNAL AUDIT PLAN 2024/25			
Assignment	Days	High Level Scope/Coverage	Reason for Audit
Streetscene - Traffic Management Orders	15	Process and governance audit.	Management Request. Assurance. Compliance. Financial & Regulatory Risks
Regeneration			
Leasehold Major Works- Debt Recovery	15	Debt recovery work may be adversely affected by system issues and a wait to appoint new contractors. The scope will include engagement and accuracy within the process	Deferred from 2023/24. Management Request. Assurance. Financial & Reputational Risks
SUB TOTAL CHE	105		
ALL DIRECTORATES TOTAL	678		
Reserves and Contingencies			
Contingencies		Follow-up work & completion of 2023/24 audits, contingency for emerging risks.	
Reserve List			
Treasury Management	10	Cyclical review	Core Financial System
Accounts Receivables	15	Cyclical review	Core Financial System
Voter ID and Election Act 2022	10	New ID requirement for voting. Risk of LBH not complying with new legislation in time for an election. Deferred from 2023/24	Regulatory Compliance
Insurance	15	Governance arrangements. Processes, procedures, and controls.	Assurance.
Free School meals	15	FSM were temporarily awarded to all primary school children, this ends at the end of the 24/25 school year.	Assurance
Planning / Revenues interface	15	Planning, Council Tax, and NNDR were all heavily impacted by the cyber attack.	Assurance
Sub total reserves and contingencies	95		
TOTAL AUDIT DAYS	773		

Objectives, Key Performance Indicators (KPI's) and Targets for 2024/25		
Objectives	KPI's	Targets
<p>Cost & Efficiency</p> <p>1) To ensure the service provides Value for Money</p>	<p>1) Percentage of annual plan completed by 31 March</p> <p>2) Percentage of annual plan completed by 31 May</p> <p>3) Average number of days between the end of fieldwork to issue of draft report</p>	<p>1) 80%</p> <p>2) 100%</p> <p>3) 15 working days</p>
<p>Quality</p> <p>1) To maintain an effective system of Quality Assurance to ensure recommendations made by Internal Audit are agreed and implemented</p>	<p>1) Percentage of high and medium recommendations made which are agreed</p> <p>2) Percentage of agreed high and medium recommendations which are implemented in agreed timescales</p>	<p>1) 100%</p> <p>2) 90%</p>
<p>Client Satisfaction</p> <p>1) To ensure that clients are satisfied with the service and consider it to be good quality</p>	<p>1) Results of Post Audit Questionnaires</p>	<p>1) Average score of satisfactory and above</p>