

Decision Maker: **AUDIT AND RISK MANAGEMENT COMMITTEE**

Date: **Tuesday 7 November 2023**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **INTERNAL AUDIT PLAN NOVEMBER 2023 - MARCH 2024**

Contact Officer: Francesca Chivers, Head of Audit and Assurance
E-mail: Francesca.Chivers@bromley.gov.uk

Chief Officer: Director of Finance

Ward: (All Wards);

1. Reason for decision/report and options

This paper presents the Internal Audit Plan November 2023 – March 2024 for approval. It explains the risk-based planning process and the underlying assumptions behind the resource assessment used to produce the Plan.

2. **RECOMMENDATION(S)**

Members are asked to approve the Internal Audit Plan November 2023 – March 2024 (Appendix A), subject to any amends as a result of discussion.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Some audits will provide assurance on services for vulnerable adults and children.
-

Transformation Policy

1. Policy Status: Not Applicable
 2. Making Bromley Even Better Priority:
(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
-

Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Internal Audit
 4. Total current budget for this head: £640, 240
 5. Source of funding: General Fund
-

Personnel

1. Number of staff (*current and additional*): 6.5 Internal Audit staff (establishment)
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory Requirement: Under the Accounts and Audit Regulations 2015, the Council must maintain an adequate and effective system of Internal Audit.
 2. Call-in: Not Applicable:
-

Procurement

1. Summary of Procurement Implications: Some audits are designed to provide assurance on procurement risks and controls.
-

Property

1. Summary of Property Implications: Some audits are designed to provide assurance on property-related risks and controls.
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: None
-

Impact on the Local Economy

1. Summary of Local Economy Implications: None
-

Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: None
-

Customer Impact

1. Estimated number of users or customers (*current and projected*): Not applicable
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1 The Public Sector Internal Audit standards are mandatory for internal audit practice in the public sector. Under these Standards, Internal Audit is required to produce a risk-based plan of work which sets out how its resources will be utilised in the forthcoming period.
- 3.2 As with 2022/23, the Audit Plan for 2023/24 has been developed in two halves, with the April – October Plan approved by Audit and Risk Management Committee in March 2023. This approach is intended to make the Plan more flexible and to ensure that audits during the latter part of the year are still relevant and focused on the right areas.

Resourcing

- 3.3 Since our April - October 2023 Plan was approved, there have been significant changes to the resourcing of the Internal Audit team which have impacted on the available days for audit work. Reductions in available resource are largely due to:
- One team member has been on sick leave since the end of June 2023
 - One team member has been on secondment to the IT Project Team since early September; this secondment is due to last for the remainder of the financial year
 - One team member has handed in their resignation and their last day of service will be 2 January 2024, with an actual leaving date of 30 November 2023.
- 3.4 My current estimate of available audit resource for additional work is shown in the table below. Available days are the total days left once allowances have been made for annual leave, training, sickness and administrative tasks for example team meetings, 121s and all-staff briefings.

Available days for audit work November – March – internal resource		211
Less the activities below:		
National Fraud Initiative	5	
Follow up of recommendations	15	
Provision for completion of April – September work	165	
Net available days for additional audit work – internal resource		26
Add external contractor resource – already booked	42	
Total Available for additional audit work November 2023 – March 2024		68

- 3.5 The above resource estimate assumes that:
- We are unable to obtain any further contractor resource (although we will still endeavour to obtain additional resource within available budget so this estimate may change)
 - All work required on Risk Management and the Annual Governance Statement can be undertaken by the Head of Audit and Assurance (assistance is usually provided by the team member currently on sick leave)
 - We do not receive any whistleblowing or other investigations
 - There are no further changes to internal resource

- The team member on long term sick is unable to undertake any substantial audit work this financial year.

Internal Audit Plan

3.6 The overall aims of the Plan are to:

- Align to the strategic objectives and risks of the Authority
- Meet the needs of key stakeholders including Members, Chief Officers and senior managers
- Provide assurance on a sufficiently broad range of risks to ensure that an overall opinion on systems of risk management, governance and control can be provided at the end of the financial year
- Provide an appropriate balance of assurance and consultancy work – consultancy work is usually particularly valuable in times of change.

3.7 In compiling the Plan for the remainder of the financial year, I have reviewed our existing Plan, assessed our priorities and consulted with Chief Officers and their senior management teams. I have also taken into account risk registers, strategies, and our own knowledge of the organisation and the wider environment. Discussions with senior managers and Chief Officers have included whether any audits not already started should remain on the Plan or, whether any other areas should be prioritised instead. Finally, I have considered Internal Audit's ability to provide an appropriate balance of assurance and consultancy work, the latter being particularly relevant for significant projects including the accommodation move and operational property review.

3.8 The full draft Plan for the remainder of the financial year is attached as **Appendix A**.

- **Table 1, Appendix A** sets out the audits that have already been agreed as part of the April – October Plan, grouped by their current status.
- **Table 2, Appendix A** sets out the proposed additions to the Internal Audit Plan for the remainder of the year.
- **Diagrams 1 and 2, Appendix A** map the Plan as a whole against the current Corporate Risk Register and the MBEB ambitions.

3.9 We propose to remove two audits from the existing Plan (subject to Audit and Risk Management Committee agreement):

- Procurement of IT Service (Advisory) – We had allowed some time for this in the current financial year as a contingency to continue our work in from 2022/23, however this has not been necessary
- Leaving Care – This is likely to be subject to Ofsted in the very near future and so to minimise duplication and allow the team to focus on their preparation for Ofsted we propose to swap this audit for Children Missing Education.

3.10 The current resource estimate and the proposed Audit Plan do not allow for any contingency time. To provide some contingency and ensure that audit work is appropriately prioritised I propose that we undertake the following audits after other work and otherwise carry them forward to Q1 2023/24:

- Quality of Temporary Accommodation – This is because with the Temporary Accommodation & Housing Rents audit (reported as part of the Audit and Fraud Progress Report) and the pro-active counter fraud work in Temporary Accommodation, we already have some coverage of Temporary Accommodation risks. We raised one recommendation in our Temporary Accommodation & Housing Rents audit around property checks which is due for implementation by November 2023.

- Quality of Care (Adults) – We have discussed audit priorities with Adult Social Care and agreed that Safeguarding and Learning Disabilities are priority areas. We have carried forward two audits in this area from 2022/23 and we have also set aside some time for CQC preparation. We raised one recommendation around provider quality checks in our 2022/23 ‘Placements’ audit which is due for implementation by the end of December 2023.

3.11 Prior to presenting the Plan to Members for approval, we have also presented the draft Plan to Chief Officer Executive (COE) for review, comment and endorsement. COE have agreed the Plan as set out in Appendix A.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

Some audits are designed to provide assurance on services for vulnerable adults and children.

5. FINANCIAL IMPLICATIONS

Some audits are designed to provide assurance on financial risks and controls.

6. PERSONNEL IMPLICATIONS

Some audits are designed to provide assurance on personnel risks.

7. LEGAL IMPLICATIONS

Under the Accounts and Audit Regulations 2015, the Council must maintain an adequate and effective system of internal audit.

8. PROCUREMENT IMPLICATIONS

Some audits will provide assurance on procurement risks and controls.

9. PROPERTY IMPLICATIONS

Some audits are designed to provide assurance on property-related risks and controls.

Non-Applicable Headings:	Transformation / policy implications Carbon reduction / social value implications Impact on the Local Economy Impact on Health and Wellbeing Customer impact Ward Councillor views
Background Documents: (Access via Contact Officer)	None