



Internal Audit Five-Year Strategic Framework 2024 - 2029

Owner	Head of Audit and Assurance
Date	February 2024
Date of next review	February 2025

Five-Year Strategic Framework (2024 – 2029)

Introduction

The five-year Strategic Framework sets out the medium-term approach of the Internal Audit Service. It outlines the overall approach that the service will take in determining areas for review and aims to ensure that Internal Audit can continue to provide a sufficient level of assurance to its stakeholders whilst taking into account resource limitations and the changing risk landscape.

Sitting underneath this Strategic Framework, the Internal Audit service develops a detailed periodic Audit Plan every six months. This six-monthly plan risk assesses internal audit priorities, outlines the internal audit work to be undertaken during the coming period and is formally approved by Audit and Risk Management Committee, following consultation with senior management. Both the Framework and the periodic Audit Plans are underpinned by the Audit Charter, which sets out the purpose, authority, responsibility, independence and scope of the Internal Audit service.

This five-year Framework has been prepared to document significant, ongoing and inherent risks that the Council faces and outline, at a high level, themes to be covered over the medium term. The intention of the five-year period of this framework is to ensure that, in becoming more agile, internal audit continues to provide assurance over the entire breadth of the Council's operations.

Fundamentally, Internal Audit is a risk-based service and we will align ourselves to the key risks facing the Council. Grant Thornton's December 2023 report 'Preventing failures in local government' has highlighted that Internal Audit needs to focus on major strategic and other critical issues, rather than low risk, low impact areas of operations.

Nonetheless, core systems and processes form important parts of the control framework and the inherent risks in these (financial, operational, reputation, compliance) could in themselves lead to financial or operational failure. Our approach to these areas will be to set a minimum level of coverage for sufficient assurance and to further tailor the coverage and frequency depending on the outcomes of the review, and any significant changes (eg to systems, personnel, processes) in the period. Areas with lower assurance opinions (limited or below) and / or significant change will be reviewed more frequently.

For ease, areas for review have been divided broadly as the leads fall under individual departments. Some of these areas will have cross-cutting relevance across the organisation, for example those which cover people and financial management. When scoping individual reviews which have Authority-wide relevance, we will take into account responsibilities across the Council as a whole.

Please note that the 'significant ongoing & inherent risks' identified are simply risks (ie possible future events) rather than known current issues.

Area of Review	Significant ongoing & inherent Risks	Five-year Approach
<p>Authority wide risk areas</p> <p>Corporate Risk Register</p> <p>Governance, which also includes:</p> <ul style="list-style-type: none"> • Strategy development and delivery • Organisational Culture, including the Council's Values and approach to Inclusion and Diversity • Working in partnership with other organisations 	<p>Significant overarching risks identified by senior management are set out in the Corporate Risk Register.</p> <p>Governance failures, bringing the Council into disrepute, leading to statutory intervention or failure to deliver services and the Council's objectives to acceptable standard.</p>	<p>Coverage of all risks on the Corporate Risk Register with a 'net' Significant or High rating every two years.</p> <p>Coverage of all other risks on the CRR at least once over a five year period.</p> <p>Biennial coverage of Risk Management at either a corporate, thematic or departmental level.</p> <p>Audits of specific areas of governance, strategy and culture will be included in the Plan each year based on discussions with senior management and understanding of risk.</p> <p>Mapping and risk assessment of partnerships in 2024/25 and then coverage on a risk basis of significant partnerships over the five-year period (please also see Commissioning and Procurement below).</p>
<p>Transformation and Major Projects</p>	<p>Intended outcomes not delivered and benefits not realised.</p> <p>Significant overspend in delivery of project or programme.</p>	<p>For major projects (high value, high risk or high profile) which have significant Council-wide impacts, we will engage with senior management to consider</p>

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	<p>Detrimental unintended consequences, including unacceptable impacts on other areas of the organisation.</p>	<p>Internal Audit involvement at an early stage, or in an ongoing capacity.</p> <p>Annual coverage of individual projects / programmes on a risk-basis.</p> <p>Overarching review of the Transformation programme including governance minimum once in the five-year period.</p>
<p>Commissioning and Procurement</p> <p>Core area as the Council is a Commissioning Authority.</p>	<p>Value for money not achieved in commissioning, procurement and contract management.</p> <p>Non-compliance with legislation.</p> <p>Deterioration in quality of service delivery.</p> <p>Contract overspends.</p> <p>Contractor fraud or error.</p>	<p>Annual coverage of management of individual procurements and contracts based on review of forward plans, contracts registers, perceived risk, significance and discussions with management.</p> <p>Council-wide procurement audit minimum once over the period, dependent on audit outcomes.</p> <p>We will also review the assurance work of the Procurement team as a 'second line' function to establish the areas and extent to which we can place reliance on their work.</p>
<p>Corporate Services</p> <p>Legal Services, Electoral Services, Democratic Services.</p>	<p>Non compliance with legislation.</p> <p>Ultra-vires decisions or decision-making which is not based on sound information or analysis.</p>	<p>Coverage on a risk basis, through review of risk registers and discussions with management. Minimum one review in each area in the period.</p>

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	<p>Legal or other challenge if statutory functions such as Electoral Services are not discharged effectively.</p>	<p>We will also consider legal implications and the Council's decision-making processes as part of other relevant reviews.</p>
<p>Finance Budget setting and financial strategy Budget monitoring Treasury Management and cash flow Pensions Capital finance Statement of Accounts Revenues and Benefits Exchequer Services Insurance</p>	<p>External or internal fraud and error.</p> <p>Poor financial management and budgetary control leading to overspend, inability to balance budget.</p> <p>Council/Pension Fund funds not invested effectively, leading to loss of income.</p> <p>Outsourced services not delivered in line with contract.</p> <p>Non compliance with legislation.</p>	<p>Coverage will be principally risk based, including consideration of previous assurance opinions, and the Department's risk register.</p> <p>To ensure that we provide sufficient coverage of core functions, we will undertake as a minimum:</p> <ul style="list-style-type: none"> • one review within Revenues and Benefits function each year • coverage of all R&B major functions at least once over the period • coverage of all core financial systems and processes (Accounts Payable, Debtors, Budget Setting, Budget Monitoring) at least once over the period • coverage of strategic finance functions (Pensions, Treasury Management, Insurance) at least once over the period • consideration of Capital finance and projects on an annual basis, this will include financial management of major capital schemes led by Departments

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		<p>The exact frequency of the areas above will depend on previous assurance opinions and any significant changes to the service over the period.</p> <p>We will also explore mechanisms for continual assurance over core systems such as Accounts Payable.</p> <p>Contract management for the Exchequer / R&B contractor once in the period or more frequently as part of audits in Exchequer / Revenues and Benefits services.</p>
<p>Human Resources</p>	<p>Staff do not have the skills, resources or support to discharge their roles effectively.</p> <p>High staff turnover leading to operational difficulties.</p> <p>Poor morale.</p> <p>Health and safety incidents.</p> <p>Fraud or error through payroll.</p>	<p>We will cover people risk each year. Coverage will take into account previous assurance opinions, the Department's risk register, conversations with management, assessment of risk and other sources of assurance.</p> <p>We will cover core functions such as recruitment, sickness management, training / workforce development, agency staff / consultants at least once in the period.</p> <p>Biennial coverage of aspects of Health and Safety (currently High risk on the</p>

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	<p>Non-compliance with employment, health and safety or other personnel-related legislation.</p>	<p>CRR) based on discussions with management and understanding of risk areas. We will also review the assurance work of the H&S service as a 'second line' function to establish whether we can place reliance on this.</p> <p>We will review Payroll at least twice in the period, which will cover different aspects such as PAYE, deductions, starters and leavers, sickness and parental leave pay.</p>
<p>Customer Services, Registrars and Public Affairs</p>	<p>Reputational damage through poor communication / publicity.</p> <p>Legal or other challenge if statutory functions such as Registrars are not discharged effectively.</p>	<p>At least one audit in each of Registrars Service, Customer Services and Communications over the period.</p>
<p>Information Management & Technology</p> <p>Information Governance</p> <p>Information technology including cyber security, asset management and disaster recovery.</p> <p>Change management and IT projects.</p>	<p>Loss of information, data breaches or inappropriate disclosure.</p> <p>Loss of access/service due to systems failure or cyber-attack.</p> <p>Loss, theft or misuse of IT assets.</p> <p>Outsourced services not delivered in line with contract.</p>	<p>We will undertake an IT needs assessment in 2024/25 to inform our IT audit priorities for the remainder of the period.</p> <p>At least one review of the IT managed service supplier contract management in the period.</p> <p>At least one review of Information Governance processes in the period, including SARs / FOIs.</p>

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	<p>Significant overspend in delivery of project or programme or projects not delivered.</p> <p>Detrimental unintended consequences, including unacceptable impacts on other areas of the organisation.</p>	<p>The frequency will be informed by previous audit opinions and risk assessment.</p> <p>Annual coverage of individual projects / programmes on a risk-basis.</p>
<p>Property, Planning, Culture and Regeneration</p> <p>Management of property assets and land holdings, commercial property, facilities management, disposals.</p> <p>Delivery of capital programmes, including house building, management of Libraries and Leisure Centres.</p> <p>Planning Applications, Enforcement, Building Control, Local Plans, Land Charges, CIL and s106 funds.</p> <p>Grant funding applications, procurement and project management of regeneration schemes.</p>	<p>Health and safety hazards associated with properties.</p> <p>Poor investment or disposals decisions.</p> <p>Capital programmes do not deliver value for money.</p> <p>Commercial property portfolio is not managed effectively.</p> <p>Non compliance with statutory requirements.</p> <p>Legal or other challenge if statutory functions such as Planning are not discharged effectively.</p> <p>Outsourced services not delivered in line with contract.</p>	<p>Coverage will be risk based and take into account previous assurance opinions, and the Department's risk register.</p> <p>Coverage of each key Property function minimum once over the period (maintenance, commercial properties, disposals, capital projects).</p> <p>Coverage of each key Planning function minimum once over the period.</p> <p>Risk / project based reviews of capital programmes and regeneration schemes.</p> <p>At least one audit of the Libraries and Leisure Centre Contracts.</p>
<p>Housing</p>	<p>Ill-advised strategic partnerships or ventures entered into or poor governance</p>	<p>We will provide coverage of Housing each year. This will be risk based and</p>

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<p>Housing Options and Support Homelessness and TA Traveller sites Housing Register Procurement and Allocation of Accommodation</p>	<p>arrangements leading to poor quality service delivery, failure to obtain housing supply.</p> <p>Loss of income through rent payments and service charges not recovered promptly and completely.</p> <p>Council housing is acquired through fraud or is used inappropriately.</p> <p>Housing is provided that is not in a satisfactory condition or maintained safely leading to health and safety hazards.</p> <p>Residents are not adequately safeguarded or cannot maintain acceptable quality of life if housing needs are not met.</p> <p>Non compliance with statutory requirements.</p> <p>Significant overspends if demand cannot be managed, including through prevention duties.</p>	<p>take into account previous assurance opinions, and the Department's risk register.</p> <p>We will provide annual sign off – Disabled Facilities Grant</p> <p>Coverage of each significant Partnership, Joint Venture, Council Owned Company or Commercial Venture minimum once in the period.</p> <p>Coverage of each key Housing function such as Rents, Homelessness, Housing Allocations, Housing Options, Temporary Accommodation minimum once over the period.</p>
<p>Children and Families Provision of services for children and families including:</p>	<p>Children in the Borough are not adequately safeguarded from risk of harm.</p>	<p>For the start of the five year period, we are able to place reliance on the Ofsted inspection reported in Jan 2024 and we will map coverage against that report to</p>

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<p>Early Intervention and Family Support Youth Services Referral and Assessment (including MASH) Safeguarding and Care Planning Children Looked After and Leaving Care, Permanency and Children with Disabilities Quality Improvement.</p>	<p>Increases in demand which do not match available funding.</p> <p>Provider failure or insufficient supply of suitable placements to meet needs.</p> <p>Poor quality placements which do not meet CYP needs.</p> <p>CYP do not achieve their desired outcomes or quality of life.</p> <p>Non-compliance with statutory requirements.</p>	<p>prioritise areas where there may be gaps in assurance.</p> <p>From 2025-26 onwards, we will aim to provide coverage of all service areas (Early Intervention, Referral and Assessment, Safeguarding and Care Planning, CLA and Leaving Care, Permanency and CWD) over the remaining period. The nature and frequency of coverage will be risk based and take into account previous assurance opinions, discussions with management and the Department's risk register.</p> <p>We will also review the assurance work of the QA service as a 'second line' function to establish whether we can place reliance on this.</p> <p>We will place reliance on other external inspections where appropriate and relevant (for example SEND and Joint Targeted Area Inspection).</p> <p>Annual Supporting Families grant review.</p>
<p>Education Maintained Schools (currently six)</p>	<p>Insufficient or poor quality provision.</p> <p>Increases in demand which do not match available funding.</p>	<p>Each maintained school reviewed once every five years (with more frequent review where required eg Limited / No Assurance audits).</p>

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<p>Access and Inclusion, SEND, Early Years, together with Strategic Place Planning, School Standards and Adult Education</p>	<p>Non compliance with statutory requirements or legal challenge due to decision making.</p> <p>Financial or governance failures in maintained schools.</p> <p>Fraud or error in payments to providers, individuals or schools.</p>	<p>We will aim to cover aspects of Access and Inclusion and SEND minimum twice in the period, depending on risk and previous audit outcomes. This will include follow up work where appropriate.</p> <p>We will review Adult Education and Early Years minimum once in the period. We will consider coverage of other areas on a risk basis, in discussion with senior management.</p> <p>We will also place reliance on external inspections where appropriate and relevant.</p>
<p>Adult Social Care</p> <p>Services provided to adults including Safeguarding, Older People, Physical Disabilities, Learning Disabilities, Mental Health, DoLs, Occupational Therapy (& Assistive Technology), Direct Payments, day care, home care, residential care and reablement.</p>	<p>Vulnerable adults in the Borough are not adequately safeguarded from risk of harm.</p> <p>Increases in demand which do not match available funding.</p> <p>Provider failure or insufficient supply of suitable placements to meet needs.</p> <p>Providers do not deliver services to acceptable standards.</p>	<p>We will provide coverage each year on aspects of ASC. Coverage will be risk based and take into account previous assurance opinions, discussions with management and the Department's risk register.</p> <p>Our risk assessment and coverage will include commissioned services. We will prioritise those contracts deemed significant in line with the Council's Contract Procedure Rules (those with a value of £1m or more or otherwise high</p>

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	<p>Non-compliance with statutory requirements.</p> <p>Fraud and error in payments made to clients or providers.</p>	<p>risk or high profile). However we will also review some lower value contracts.</p> <p>Over the period, we will provide coverage across the spectrum of service areas: Care Management, Learning Disabilities, Safeguarding, Mental Health, Placements and the range of care and support solutions (day provision, Domiciliary, Residential, OT, AT).</p> <p>We will also review the assurance work of the QA service as a 'second line' function to establish whether we can place reliance on this.</p> <p>We will also place reliance on external inspections where appropriate and relevant and tailor our coverage accordingly.</p>
<p>Public Health Services</p> <p>Strategic leadership for health & needs assessment.</p> <p>Health protection.</p> <p>Commissioning of NHS Health Checks, Bromley 0-19, Sexual health services and substance misuse services.</p>	<p>Services not delivered to a safe or acceptable standard.</p> <p>Capacity for delivery does not align to, or cannot react to changing public health priorities and capacity for delivery.</p> <p>Non-compliance with statutory requirements or grant conditions.</p>	<p>Review of commissioning strategy and significant contracts (as defined by CPRs) over the period.</p> <p>Review of clinical assurance arrangements over the period.</p> <p>Targeted reviews in specific areas based on discussions with management and understanding of risk.</p>

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<p data-bbox="203 236 741 264">Environment and Public Protection</p> <p data-bbox="203 312 741 488">Highways, Traffic and Parking, Waste Management, Street Environment, Environmental Enforcement, Carbon Management, Parks and Grounds Maintenance, Arboricultural Services.</p> <p data-bbox="203 536 786 673">Public Protection, including Trading Standards, Community Safety, Licensing Emergency Planning and Business Continuity and Environmental Health</p>	<p data-bbox="819 236 1357 306">Statutory and regulatory functions not discharged effectively.</p> <p data-bbox="819 347 1290 418">Deterioration in quality of service delivery.</p> <p data-bbox="819 459 1124 488">Contract overspends.</p> <p data-bbox="819 529 1178 558">Contractor fraud or error.</p> <p data-bbox="819 600 1317 670">Supply chain or business continuity failure with key providers.</p> <p data-bbox="819 711 1326 782">Injury to health /wellbeing to the community, businesses and visitors</p> <p data-bbox="819 823 1406 932">Council unable to deliver core services in the event of business disruption or emergencies.</p>	<p data-bbox="1438 236 2029 344">Coverage will be risk based and take into account previous assurance opinions, and the Department's risk register.</p> <p data-bbox="1438 386 2029 600">We will undertake at least one audit of a significant contract each year, (those with a value of £1m or more or otherwise high risk or high profile). We will also review some lower value contracts over the five year period.</p> <p data-bbox="1438 641 2020 900">We will provide coverage of each of the key Environmental functions over the period (Highways, Traffic and Parking, Waste Management, Street Environment, Environmental Enforcement, Carbon Management, Parks and Grounds Maintenance, Arboricultural Services).</p> <p data-bbox="1438 941 2020 1078">We will provide coverage of the key PP functions over the period (Trading Standards, Community Safety, EP & BC, Environmental Health, Licensing).</p> <p data-bbox="1438 1120 2007 1270">The exact frequency of EPP areas will depend on previous assurance opinions and any significant changes to the service over the period.</p>