

INTERNAL AUDIT CHARTER & 2024/25 DRAFT PLAN

Committee name	Audit Committee
Officer reporting	Claire Baker, Head of Internal Audit
Papers with report	Internal Audit Charter Internal Audit 2024/25 Draft Annual Plan
Ward	All

HEADLINES

The attached draft Internal Audit Annual Plan presents the Audit Committee with the proposed Internal Audit (IA) approach and activity for the 2024/25 financial year.

The annual plan takes into consideration the key risks facing the Council and any alternative sources of assurance available in relation to these risks. The plan has also been presented to the Corporate Management Team to ensure it reflects any emerging potential risks or future changes.

The plan has been developed to maximise the available resources within the IA team over the year, however it will be kept under review throughout the year as new risks emerge, alternative sources of assurance are identified or IA resources change.

Also attached is the Internal Audit Charter, which is a requirement under the Public Sector Internal Audit Standards and defines the purpose, authority, and responsibilities of the Internal Audit team. It is reviewed annually however no changes were required for 2024/25.

RECOMMENDATIONS:

That the Audit Committee:

- 1. Approves the Internal Audit Annual Plan for 2024/25; and**
- 2. Notes the purpose and responsibilities of Internal Audit as outlined in the Charter.**

SUPPORTING INFORMATION

IA provides an independent appraisal and consultancy service that underpins good governance, which is essential in helping the Council achieve its strategic objectives and realise its vision for the borough of Hillingdon.

BACKGROUND PAPERS

None.



INTERNAL AUDIT CHARTER

1. Purpose of this Charter

- 1.1 The Local Government Accounts and Audit Regulations 2021 require every local authority to undertake an effective IA to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards (PSIAS) or guidance.
- 1.2 In accordance with the PSIAS and Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) the purpose, authority and responsibility of the internal audit activity must be formally defined in an Internal Audit (IA) Charter, consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework.
- 1.3 The Hillingdon Council IA Charter defines the purpose, authority and responsibility of the IA Service within the Council. The Charter establishes the Head of IA's (HIA's) position within the Council including the nature of the HIA's functional reporting relationships. The Charter authorises access to records, personnel and physical properties relevant to the performance of engagement and defines the scope of IA activities.
- 1.4 The HIA is responsible for applying this IA Charter and ensuring it is maintained in line with the PSIAS. This IA Charter shall be reviewed and presented to the Board (which for the purpose of the PSIAS is the Audit Committee) for approval. The Charter will be reviewed every three years, or sooner if significant changes have been made by the Corporate Management Team (CMT) to ensure that it remains relevant to the needs of the Council.

2. Internal Audit Objectives and Mission

- 2.1. IA is defined in the PSIAS as “an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.
- 2.2. Internal audit acts primarily to provide the Audit Committee and Senior Management with the information necessary for them to fulfil their own responsibilities and duties. IA is not responsible for control systems and managing risks, responsibility for effective internal control and management of risks rests with the management of the Council.

3. Scope of Internal Audit

- 3.1. The scope of internal audit activities includes all activities conducted by the Council. The IA Plan identifies those activities that have been identified as the subject of specific internal audit engagements.

- 3.2. The HIA will provide an Annual HIA Opinion Statement for the Council through the Audit Committee. The HIA opinion statement will cover the three core areas below and be in line with the UK PSIAS:
- Risk Management - Risk Management is the process of identifying, quantifying and managing the risks that the Council faces in attempting to achieve its objectives.
 - Corporate Governance - Corporate governance is the system of rules, practices and processes by which the Council is directed and controlled.
 - System of Internal Controls - The system of internal control is a process for assuring achievement of the Council's objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies. It incorporates both financial and nonfinancial systems.
- 3.3. To enable full discharge of its duties, the HIA and the IA service has authority to:
- Have right of direct access to the Chair of the Audit Committee, the Chief Executive, External Audit, the Leader of the Council and all other Members;
 - Have unrestricted access to all Council functions, records, property and personnel required to plan and undertake audit assignments necessary to fulfil its scope; and
 - Obtain assistance, where necessary, from Council officers and contractors involved in the subject of audit engagements.
- 3.4. The IA activity will remain free from interference by any element in the Council, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude. Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not engage in any activity that may impair their judgement or objectivity.
- 3.5. IA will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgements.
- 3.6. When the auditors receive confidential information, it shall be kept confidential at all times, except as required by law or as provided for in regulatory, ethical or other professional declarations.

Wider Remit of Business Assurance

- 3.7. Consulting and Advisory Services - IA also has the responsibility to provide consulting and advisory services to management relating to risk management, control and governance as appropriate for the Council. Before any consultancy work is agreed, the HIA will ensure that IA has the appropriate skills, resources and approval to undertake the review. The HIA will also ensure that appropriate safeguards are in place to preserve objectivity in areas subject to future IA activity.

- 3.8. Third Parties - IA may carry out assurance work for third parties (i.e. organisations outside of the Council). Assurances provided to third parties are provided in line with the assurance provided to the Council, as described within this document.
- 3.9. Anti-Fraud & Anti-Corruption - IA's role in any fraud or corruption related work will be in accordance with the Council's Counter Fraud Strategy. However, Internal Auditors will have sufficient knowledge to evaluate the risk of fraud and the controls in place to manage these risks during their audit work. Audit procedures alone cannot guarantee that fraud and corruption will be detected. In the event that internal audit suspect fraud is occurring, this will be referred to management in line with the Counter Fraud Strategy.
- 3.10. Major Projects - The IA service will be informed of major projects which may impact on the control environment. Where a project team seeks advice or further support from the IA service, we will treat the request as one for consultancy support and make appropriate arrangements to ensure future objectivity is not impaired.
- 3.11. Risk Management - IA will be guided by the IIAs position paper on The Role of Internal Auditing in Enterprise-Wide Risk Management and therefore will not undertake any roles defined as inappropriate by that guidance. Inappropriate roles include setting the Council's risk appetite, imposing a risk management process and taking on full accountability for risk management. Safeguards put in place, include :
- Any Internal Audit review of risk management will be undertaken by an external provider to enhance independence and objectivity in this area
 - The Corporate Director of Finance, as Chief Finance Officer, being responsible for preparing and promoting the Authority's risk management policy statement throughout the authority; and
 - The Audit Committee will monitor and review, but not direct, the authority's risk management arrangements, including regularly reviewing the corporate risk register and seeking assurances that action is being taken on risk related issues.

4. Responsibilities

Professional Standards

- 4.1. The HIA and IA team have responsibility to undertake their work at all times in accordance with the PSIAS, the IIA's Code of Ethics, and the broader International Professional Practices Framework (IPPF) which applies across the global practice of IA. Those members of the IA team who have membership of professional bodies will comply with the relevant requirements of that organisation.
- 4.2. Deriving from those regulations, and those authorising this Charter, the IA service has free unrestricted ability to plan and undertake IA assignments necessary to fulfil its scope.

Risk Based IA Strategy and Plan

- 4.3. In order to deliver the annual IA opinion statement it is vital to have a comprehensive risk-based IA plan to determine the priorities of the IA activity, consistent with the wider IA Strategy and organisation objectives.
- 4.4. The overarching IA plan is presented to the Council's Corporate Management Team (CMT) and Audit Committee for approval. Any significant deviation from the approved IA plan will be communicated to senior management and the Audit Committee through quarterly IA progress reports.
- 4.5. IA will also consider the scope of the work of other assurance providers when developing the IA Plan, to avoid any duplication and ensure optimal audit coverage. Where any reliance is placed upon the work of others, IA is still responsible for ensuring there is adequate evidence to support conclusions and opinions reached by the internal audit activity.

Management of Engagements

- 4.6. For each individual IA engagement, a detailed Terms of Reference (ToR) will be prepared and discussed with the relevant managers. The ToR will establish the engagement's objective, key risks, scope, timing and resource allocations for the review. Each IA engagement will be sponsored by a member of CMT.
- 4.7. Managers are required to ensure that key staff are available to IA during the agreed period of a review and for ensuring that information requested is accurate, timely and reliable.
- 4.8. IA will promptly communicate its findings and conclusions to management, proposing recommendations to address any identified weaknesses. The HIA will inform the Council (via the Audit Committee) of any material weaknesses.
- 4.9. The HIA will have systems in place to ensure that internal auditors obtain and record sufficient evidence to support their conclusions and engagement results. This includes management supervision to ensure objectives are achieved, quality assured and staff developed.
- 4.10. A summary report will be issued to appropriate parties following the conclusion of each IA engagement, including the review sponsor and relevant key contact(s). The report includes an executive summary highlighting the risk management, internal control and governance strengths and weaknesses identified during the review. A management action plan is appended to reports (where applicable), which provides management with the opportunity to respond to the recommendation(s) raised and set out what action they propose to address the risk(s) identified.

Reporting

- 4.11. The Head of Internal Audit & Risk Assurance has overall responsibility for the day-to-day management of the IA service. The HIA reports administratively to the Corporate Director of Finance (and S151 Officer).
- 4.12. Organisationally, the HIA reports to the Audit Committee. The HIA also has direct right of access to the Chief Executive, Chair of Audit Committee and Leader of the Council as and when required.

- 4.13. In agreement with those charged with governance, the HIA will determine the way in which findings will be reported. Findings will be discussed with key officers at the conclusion of each piece of work, however Corporate Directors will be immediately informed of any significant weaknesses identified.
- 4.14. Standards will be set for reporting and will include arrangements for the review and approval of reports by the HIA before issue. Reports will be balanced, clear, concise and constructive and will be issued within laid-down timescales. All IA assurance reports issued include an assurance opinion and recommendations based on the IA Assurance Levels and Recommendation Risk Rating definitions outlined in the IA Manual.
- 4.15. The IA service will maintain effective relationships with management within the Council, including consultation in the IA planning process and with respect to individual reviews.
- 4.16. The HIA will share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimise duplication of efforts.
- 4.17. A quarterly IA progress report is submitted to CMT and the Audit Committee summarising IA performance and work carried out in the period. These reports will provide an update on the progress made against the delivery of the IA Plan and provide details of IA work completed to date, the assurance opinions given, and the number and type of recommendations made.
- 4.18. At the end of the audit year an annual IA report is presented to CMT and the Audit Committee. This provides the statutory HIA opinion statement on the Council's internal control, risk management and corporate governance arrangements. The individual assurance ratings help determine the overall audit opinion at the end of the financial year, although other factors such as implementation of IA recommendations will have a bearing too. The annual IA report contributes to the assurances underpinning the Council's Annual Governance Statement (AGS).

Follow-up

- 4.19. IA follows-up all 'High' and 'Medium' risk-rated recommendations to establish if management has taken appropriate action to address any weaknesses identified. Escalation procedures are in place for any recommendations that have passed their implementation date. These procedures will ensure that the impact of not taking action have been understood and accepted at a sufficiently senior management level.
- 4.20. A summary of progress towards implementing IA recommendations will be included in the quarterly IA progress reports to CMT and the Audit Committee. This includes highlighting the number of recommendations that have not been actioned in the agreed timescales and the extension that has been agreed.
- 4.21. This approach provides greater accountability to senior managers to manage their actions, and provides greater transparency and assurance to CMT, the Audit Committee and other key stakeholders over the timely implementation of recommendations.

Staff Training and Development

- 4.22. IA will be appropriately staffed in terms of numbers, professional qualifications and experience, having regard to the IA objectives and to the standards set out in the PSIAS. The staffing of IA will be kept under review by the HIA and the Audit Committee.
- 4.23. The HIA holds a professional qualification (CMAA, CCAB, or equivalent) and be suitably experienced. All IA staff will be properly trained to fulfil their roles and responsibilities and they will each maintain their professional competence through an appropriate on-going professional development programme. When necessary, in-house IA resources will be supplemented by external resources.

Management Responsibilities

- 4.24. In order to be effective, the IA service requires the full co-operation of senior management. IA is not responsible for control systems and managing risks, responsibility for effective internal control and management of risks rests with the management of the Council.
- 4.25. Senior management will keep the IA service abreast of significant proposed changes in processes, systems, newly identified significant risks and all suspected or detected fraud or corruption. Senior management will also ensure that the IA service has access to sufficient information and resources in order to deliver the IA plan as directed by the Audit Committee.

5. Quality Assurance

Professional Standards

- 5.1. The IA activity will govern itself by adherence to IIA's mandatory guidance and PSIAS, including the Definition of Internal Auditing, the Code of Ethics and the IPPF.
- 5.2. IA will apply the four Attribute Standards and the eight Performance Standards set out in the PSIAS. Any instances of non-conformance with the Code of Ethics or the PSIAS that impact the scope or operation of IA activity will be reported to CMT and the Audit Committee. IA staff will apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility.
- 5.3. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activities performance to ensure that engagements are performed with proficiency and due professional care. In addition, IA will adhere to the Council's relevant policies and procedures and the internal audit activity's standard operating procedures manual.
- 5.4. The HIA will maintain and regularly review a register of the internal auditors' declarations of business and personal interests. If there are occasions where internal auditors undertake non-IA activities including the development, design or implementation of systems, then that individual will not subsequently perform an IA review of those systems.

Staff Training and Development

- 5.5. All IA staff will be properly trained to fulfil their roles and responsibilities and they will each maintain their professional competence through an appropriate on-

going professional development programme. When necessary, in-house IA resources will be supplemented by external resources.

Quality Assurance Improvement Programme (QAIP)

- 5.6. The internal audit function will develop and maintain a QAIP designed to gain assurance that the work of IA is compliant with the PSIAS and achieves its objectives. The QAIP will include client feedback questionnaires issued at the completion of each audit, internal performance monitoring arrangements and key performance indicators.
- 5.7. As required by PSIAS an external assessment of the service will also be performed at least every five years. The programme will include an evaluation of the internal audit activity's conformance with The Standards and an evaluation of whether the internal auditors apply The IIA's Code of Ethics. The plan will assess the efficiency and effectiveness of internal audit and identify opportunities for improvement.
- 5.8. The results of the QAIP and progress against any improvement plans will be reported to CMT and the Audit Committee through quarterly IA progress reports, as well as within the Annual IA Report.

Reporting Internal Audit Performance

- 5.9. A summary of actual IA performance against targeted performance will be reported to CMT and the Audit Committee as part of the quarterly IA progress reports. These results will allow all stakeholders to measure the performance and robustness of the IA team and also provide an indicator on how effectively the Council is at managing its risks.
- 5.10. Key performance Indicators (KPIs) will be agreed with the CMT and Audit Committee. Any IA KPIs set will need management co-operation to enable them to be achieved, IA can influence the results, but they cannot completely control them. It is therefore important that interpretation of the IA KPIs is not taken in isolation, as other factors should be taken into account.

Individual Internal Audit Staff Performance

- 5.11. As well as the KPIs for quarterly reporting to CMT and the Audit Committee, a further set of performance measures will be used to monitor and assess the performance of individual IA staff. These operational KPIs form the basis of the performance targets for IA staff and are aligned to the detailed IA procedures. The IA standards aim to ensure that all IA staff follow a consistent process for each piece of IA work and that the planned IA programme is completed within agreed timescales and to the required quality standards.



DRAFT INTERNAL AUDIT ANNUAL PLAN

2024/25

January 2024



HILLINGDON
LONDON

www.hillingdon.gov.uk

Contents

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1. INTRODUCTION

1.1 The Role of Internal Audit

- 1.1.1 The Local Government Accounts and Audit Regulations 2021 require every local authority to undertake effective Internal Audit (IA) to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards (PSIAS) or guidance.
- 1.1.2 IA provides an objective opinion to the Council on whether the control environment, corporate governance arrangements and risk management framework are operating effectively, which is essential in helping the Council achieve its corporate objectives and realise its vision for the borough of Hillingdon.
- 1.1.3 In 2024/25 the IA service at Hillingdon will apply a risk-based approach to determine the priorities of the IA activity, in accordance with PSIAS. This means that IA gives greater assurance to the Council because it is based on the key risks to the organisation's objectives. As a result, we will not just be commenting on whether the controls operate, but whether they are the right controls to achieve the overall aims of the service.

1.2 The Purpose of the Internal Audit Plan

- 1.2.1 The IA Plan is a crucial component of the annual assurance opinion statement provided by the Council's Head of Internal Audit & Risk Assurance (HIA), to those charged with governance. In order to deliver this assurance, it is vital for the organisation to have a comprehensive IA Plan which gives sufficient risk-based coverage and support to management.
- 1.2.2 To help meet this need, the risk-based IA Plan for 2024/25 has been linked to the organisational objectives and strategic priorities, whilst also taking account of the Council's wider assurance framework. In addition, the IA Plan for 2024/25 has been developed in accordance with the IA Charter and IA Strategy 2022-25.
- 1.2.3 Responsibility for the Council's internal control arrangements remains fully with management, who should recognise that internal audit can only provide 'reasonable assurance' and cannot provide any guarantee against material errors, loss or fraud.

2. THE INTERNAL AUDIT PLANNING PROCESS

2.1 The Approach to IA Planning in 2024/25

- 2.1.1 The IA Plan for the year is determined by the number of days available, and therefore prioritises reviews to ensure the key risks facing the Council are given sufficient IA attention. In developing the risk-based annual IA Plan the IA has considered a variety of planning sources including:
- **Risk Registers** – A review of the Council's Directorate Risk Registers to establish the key risks facing each service and the Council overall. Where reviews align to the corporate risks this is noted in the detailed plan below.
 - **Senior Management** – Senior managers from across the Council have been engaged in the development of the plan, including members of Corporate Management Team (CMT), to identify any emerging risks or changes facing their services.

- **Audit Committee** – Any comments from members of the Audit Committee will be reflected in the IA plan after the draft is presented at the Audit Committee meeting on the 12 February 2024.
- **Council Strategy** – The IA Plan was reviewed against the Council Strategy for 2022-2026, to ensure the plan is aligned to the Council's key priorities for the period.
- **External Audit** – Ernst and Young (EY) have been invited to discuss any matters of concern and the plan has been shared with them to identify any areas where they may consider IA work to inform their own risk assessment.
- **Counter Fraud** – Whilst the Council's Counter Fraud Team (CFT) lead on fraud and corruption risks, the PSIAS require IA to evaluate the possibility of fraud and corruption as part of our coverage. Regular meetings between IA and the CFT are in place and provide critical risk intelligence to help focus IA resources.
- **Wider IA Knowledge** – The IA Plan also reflects the cumulative knowledge of the IA team in relation to emerging risks facing the Council, including the wider strategic issues and regulatory changes emerging elsewhere, effecting local government.
- **IA Universe** - The IA maintains a Council IA Universe to identify any service areas that have not been subject to an IA review in the last four years, any new functions that have been created, and significant process changes that have occurred within the last 12 months.

3. THE 2024/25 INTERNAL AUDIT PLAN OVERVIEW

3.1 Key Elements of the IA Plan

3.1.1 The Internal Audit Plan for 2024/25 is outlined over the next few pages. This includes the following key elements:

- **Planned Assurance Reviews** - Risk-based reviews that provide assurance to CMT and the Audit Committee that key risks to the achievement of objectives are being effectively mitigated, and control arrangements are operating as expected.
- **Planned Consultancy Reviews** - In line with the PSIAS, the IA coverage will include some consultancy work, in particular supporting transformation projects.
- **Core Financial Systems** – The allocation of IA days for coverage of the core financial systems, complementing and not duplicating the work of External Audit.
- **Grant Claims** – Several grant certifications and sign offs are required by IA during the year on behalf of the Council, including the Housing Benefits Subsidy and Supporting Families claims.
- **Ad-hoc Consultancy** – As well as planned consultancy reviews there is a further allocation of days for unprogrammed consultancy to allow the team to respond to urgent requests for advice.
- **Follow up** – Throughout 2024/25 the IA team will continue to follow up on recommendations raised in prior year reports to ensure they are implemented and embedded effectively.

3.2 Variations to the Plan

3.2.1 IA will keep the programme under continuous review during the year to ensure the coverage has the flexibility to respond to the dynamic environment in which the

Council operates. This approach helps make sure IA resources are directed in a more flexible and targeted manner to maximise the benefit to our stakeholders.

3.2.2 Where changes to the planned audits are required during the year, these will be agreed with the relevant Director and CMT, and reported to the Audit Committee. Any areas that are delayed or cannot be incorporated into the IA Plan will be recorded by IA and considered for inclusion in the future year plan.

3.3 Staffing and Resources

3.3.1 The calculated total available IA time for 2024/25 will be 930 IA Days. This is an increase against the prior year plan as the team is now fully resourced, but also reflects that members of the team are also undertaking other work, professional qualifications and apprenticeships.

4. THE DETAILED 2024/25 INTERNAL AUDIT PLAN

REF.	AUDIT TITLE	CRR	DESCRIPTION	TIMING
Cross Directorate Reviews				
X1	Directorate Governance		To provide assurance over the key governance arrangements in place across each directorate. This review will consider what performance monitoring information is available, how the information is reviewed against other sources of assurance, and how any key issues or information is escalated or disseminated to services.	Q1
X2	Cabinet Engagement		This review will test compliance and awareness of the Scheme of Delegation and assess how Cabinet Members are engaged in key operational matters where appropriate.	Q2
X3	Transformation Programme	F014	To review the Governance arrangements in place in relation to the transformation projects ongoing across the Council. Including how projects are identified, prioritised and monitored to ensure they are maximising the benefits for the Council.	Q3
X4	Corporate Policies and Procedures		To assess how corporate policies and procedures are monitored to ensure they remain up to date, accessible to all necessary stakeholders, and any changes are appropriately reviewed and approved.	Q3
Directorate: Adult Social Care				
A1	Commissioned & Direct Payments	F011	This joint review with the Council's Counter Fraud Service will assess the fraud controls in place in relation to commissioned care and direct payments for adult social care. This will include reviewing the supplier payment portal and how money is reconciled to the planned care and the actual care provided.	Q1
A2	Transport provider		This compliance based review will assess the Councils contract management and monitoring arrangements in relation to the Adult Social Care transport provider.	Q3
A3	Telecare (Intelligent Lilli)		The Council uses the Telecare to support more people to live at home or in extra care housing schemes. This review was delayed from the 2023/24 IA workplan due to changes with the service. It will examine the implementation of the Telecare strategy and the associated financial and operational management arrangements.	Q2
Directorate: Central Services				
S1	Organisation Culture (Part Two)		A review of organisation culture was started in 2023/24 to assess employees' perception of the working culture of the Council. This section of the review was delayed to allow time for the annual staff survey to be undertaken and the survey results will feed into this review.	Q1
S2	Mandatory training		To review the mandatory training requirements for Council employees and volunteers, and assess the controls in place to ensure ongoing compliance with the mandatory training requirements.	Q2

S3	Recruitment & Pre-employment checks	C001	To provide assurance over the recruitment process and whether appropriate pre-employment checks are undertaken on all new starters before they join the Council. This will also take into consideration any potential fraud risks.	Q1
S4	Gifts, Hospitality & Conflicts of Interest		To provide assurance over the gifts and hospitality and the conflicts of interest process. Including assessing how the registers are updated, reviewed, and monitored across the directorates.	Q3
S5	Decent Homes Standards	P015	Assessing the arrangements in place to monitor the Council's compliance with the Decent Homes Standards and reviewing any action plan in place to ensure any required improvements are made to meet the standards.	Q2
S6	Utilisation of Housing Stock	S012	This audit will assess the housing asset management, allocation, and recovery processes for the housing stock. Including how the demands on the available housing stock are prioritised to maximise the effectiveness of the available resources.	Q4
S7	Voids processes	S012	This review will assess the end to end processes in relation to voids, including how they are identified, repaired and re-allocated quickly to maximise the value to the Council. It will also include a review of long term voids and the actions taken to minimise the void period.	Q1
S8	Emergency Planning		To provide assurance whether appropriate actions are being taken to prepare the Council to handle future emergencies, including internal business continuity arrangements. This includes assessing the actions taken following the London Safer Cities Exercise.	Q4
S9	Dangerous Structures		This review will assess the compliance and effectiveness of the dangerous structures service. Including the business continuity and resilience arrangements for the team.	Q2
S10	Security		This review was added to the plan following a number of concerns raised during 2023/24. It will primarily focus on security arrangements within the Civic Centre.	Q4
S11	Temporary Accommodation	S012	These two reviews will assess the procurement and ongoing management arrangements for temporary accommodation and private sector housing. To provide assurance controls are in place to maximise the value for money for the Council.	Q3
S12	Private Sector Housing Procurement	S012		Q3
S13	Rent arrears	CS011	This review was delayed from the 2023/24 workplan. It will include data analytics to assess the root causes for current rent arrears and assess how services share information across the Council to help prevent future arrears.	Q2
S14	Registrars		To provide assurance over the Registrars Service following the new system and processes currently being implemented.	Q3
Directorate: Children & Young People, Education & SEND				
C1	Safety Valve Plan (Part 2)	C003	This review was postponed from 2023/24 due to the delay finalising a new safety valve agreement. This review will assess the governance arrangements in place to monitor compliance with the new agreement and how any potential risks are identified and addressed.	Q3
C2	Schools Finances	F005	A significant proportion of the IA work plan has been allocated to this review, which will include data analytics into maintained school finances followed by in depth reviews of the financial monitoring and governance arrangements within individual schools, focusing on any areas highlighted through the data analytics.	Q2
Directorate: Corporate Finance				
F1	Post Oracle Implementation		This review will focus on the implementation and learning from the Oracle project once the system is rolled out in April 2024. It will consider how the expected benefits from the system are monitored and evaluated, and any further actions required to fully embed the system.	Q2
F2	Key Financial Controls		Following the implementation of the Oracle system this review will cover compliance testing on some key financial controls to assess whether the new processes and system is working effectively in practice.	Q3

F3	Contract Management Oversight	F015	Rather than testing contract management arrangements for individual contracts, this review will assess the overarching monitoring arrangements across the Council. Including how directorates and services monitor their key contracts, and what guidance is provided to contract managers to ensure there is consistent standards across the services.	Q4
F4	Debtors	F014	To provide assurance the Council has appropriate processes in place to recover any outstanding debt. This review will include analysing the different sources of debt and testing a sample of longer term debt to assess whether appropriate action has been taken to recover the balances.	Q2
F5	Social Care Charges		To test compliance with the Council's policies and procedures in relation to social care charges, taking into consideration the potential impact of the national changes to the social care cap and any action plan in place to manage these changes.	Q3
F6	Budget Setting	F014	This review will seek feedback from services across the Council following the Zero Based Budgeting process, and confirm whether services have any further concerns in relation to achieving their 2024/25 budget and what actions have been put in place to monitor and mitigate these concerns.	Q1

Directorate: Digital & Intelligence

D1	Data Quality (Liquid Logic)		This audit will review the accuracy of the data within the Liquid Logic system and the effectiveness of any validation controls in place to ensure appropriate data is available when required.	Q2
D2	Cyber Security (1)	D001	There are two cyber security audits within this IA plan, the first will focus on Member & employee awareness in relation to the importance of cyber security and related risks. Including how awareness is monitored and tested.	Q1
D3	Cyber Security (2)	D001	The second cyber security audit will follow the external Cyber360 assessment and review the action plan and monitoring arrangements to address any actions raised through the assessment.	Q3
D4	Device Usage		This review will include engaging with staff from across the organisation to assess their usage of Council devices and applications, and whether they are confident using the available resources or if there are other ways to maximising their effectiveness.	Q3
D5	Hillingdon First Card		To assess the effectiveness of the Hillingdon First Card, including reviewing the current usage, benchmarking against similar schemes from other local authorities, and assessing the controls in place to manage the allocation of the cards to residents.	Q2
D6	Digital Inclusion		This audit will review how the Council monitors the level of access to digital information and services, and what support is provided to vulnerable individuals to help them to get connected so they can access other services to support themselves further.	Q4

Directorate: Place

P1	Community Safety		This review was requested by the service during our follow up process. There have been many changes in the service and previous recommended actions have been superseded by new processes. This review will assess the new processes within the service to confirm they address any potential key risk areas.	Q3
P2	Waste Services		This review will focus on key risk areas within the Waste service. This includes reviewing the controls in place to monitor compliance against policies and procedures, and contract management arrangements with third parties.	Q2
P3	Leasehold Management & Service Charges		Leaseholders in Council owned buildings have a responsibility to pay a share of the cost of managing and maintaining the building, for example providing lighting in the lobby or maintaining shared gardens and lifts. This review will provide assurance over the leasehold management and service charge processes.	Q1
P4	Asset Management		To review the corporate asset management arrangements in place across the Council. Including how asset additions and disposals are identified and recorded, and how the Council maximises the effectiveness of the available assets.	Q1

Other Internal Audit Work

24.G	Grant Claims	-	Several grant certifications and sign offs are required by IA during the year on behalf of the Council, including the Housing Benefits Subsidy and Supporting Families claims.	Q1 - Q4
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24.Z	Ad Hoc Consultancy	-	These days will be used for urgent requests for advice and support to improve systems and processes, mitigate risk and enable the achievement of objectives.	Q1 - Q4
-	Recommendation Follow up	-	All High and Medium recommendations raised by Internal Audit will be followed up as they become due to ensure they have been implemented effectively.	Q1 - Q4

AVAILABLE CHARGEABLE TIME

Based on the current workforce the calculated total available IA chargeable time for 2024/25 is 930 IA days.

Type of IA Work	2024/25 Planned	2023/24 Days	2022/23 Days	2021/22 Days	2020/21 Days
Assurance & Advisory Audits	740	703	942	942	713
Grant Claims	92	65	43	43	43
Ad-Hoc Consultancy	50	15	66	66	60
Recommendation Follow-Up	36	40	40	40	25
Facilitation	12	20	9	9	9
	930 Days	843 Days	1,100 Days*	1,100 Days*	850 Days

* Planned dates from the IA Plan but due to the reduction in capacity during the period the actual IA days are estimated to be lower.

ALIGNING TO THE STRATEGIC OBJECTIVES

As part of the Internal Audit planning process the proposed reviews have been aligned to the Council's Strategic Objectives for 2022-2026. This summary is intended to provide assurance the plan will support the Council to achieve these core objectives.

(1) Safe and Strong Communities	Digital Inclusion, Community Safety, Decent Homes Standards, Utilisation of Housing Stock, Voids Processes, Temporary Accommodation
(2) A Thriving Economy	Digital Inclusion, Hillingdon First Card, Emergency Planning
(3) A Digital-enabled, modern well-run council	Cabinet Engagement, Directorate Governance, Transformation Governance, Budget Monitoring,
(4) Thriving, healthy households	Telecare, Safety Valve Plan, Schools Finances,
(5) A green and sustainable borough	Waste Services, Decent Homes Standards, Voids Processes

5. INTERNAL AUDIT SKILLS AND RESOURCES

- 5.1 In line with the PSIA Standards, the Head of Internal Audit appointed in January 2023 is professionally qualified and suitably experienced, whilst the IA team collectively possess the knowledge, skills and other competencies required to perform their responsibilities.
- 5.2 The capacity within the in-house IA team increased significantly over the last twelve months. We have appointed a new Principal Auditor, two Internal Auditors and two Internal Audit Apprentices. Seven of the nine current members of the team are also registered to undertake professional qualifications throughout 2024/25.
- 5.3 Taking into consideration the study time required for apprenticeships and other duties undertaken by the team, the calculated total available IA chargeable time for 2024/25 is 930 IA Days. This is currently calculated without any additional external IA resource however the resource is available to supplement the in-house provision if required.
- 5.4 We are confident that there will be sufficient IA resources available to meet the skills and resource requirements needed to deliver the 2024/25 risk-based IA Plan. If there is any change in the available resources the IA Plan will be revised to ensure reviews are prioritised appropriately, and additional external resources will be commissioned where required.
- 5.4 We continue to invest in the training and development of all our staff, including identifying opportunities for further development in associated areas of assurance.

APPENDIX A - INTERNAL AUDIT DEFINITIONS

ASSURANCE LEVEL	DEFINITION
SUBSTANTIAL	There is a good level of assurance over the management of the key risks to the Council objectives. The control environment is robust with no major weaknesses in design or operation. There is positive assurance that objectives will be achieved.
REASONABLE	There is a reasonable level of assurance over the management of the key risks to the Council objectives. The control environment is in need of some improvement in either design or operation. There is a misalignment of the level of residual risk to the objectives and the designated risk appetite. There remains some risk that objectives will not be achieved.
LIMITED	There is a limited level of assurance over the management of the key risks to the Council objectives. The control environment has significant weaknesses in either design and/or operation. The level of residual risk to the objectives is not aligned to the relevant risk appetite. There is a significant risk that objectives will not be achieved.
NO	There is no assurance to be derived from the management of key risks to the Council objectives. There is an absence of several key elements of the control environment in design and/or operation. There are extensive improvements to be made. There is a substantial variance between the risk appetite and the residual risk to objectives. There is a high risk that objectives will not be achieved.

FINDING RATING	DEFINITION
HIGH	The recommendation relates to a significant threat that impacts the Council's corporate objectives. i.e. a high number of key business risks remain unidentified and/or unmanaged as control systems do not exist and/or do not operate effectively. The risk requires senior management attention as soon as possible as it may result in the breakdown of part/whole of the service.
MEDIUM	The recommendation relates to a potentially significant threat that impacts on either corporate or operational objectives. This includes weaknesses in the control systems that are not considered serious but may have some impact on the service. The risk requires management attention and should be addressed within six months to ensure full compliance with expected controls.
LOW	The recommendation relates to a minor threat that impacts on operational objectives, this includes non-compliance with best practice or local procedures, and minimal impacts on the Service's reputation or budget. The risk may be tolerable in the medium term but management should take action within the next year to improve the control framework to ensure full compliance with expected controls.
OBSERVATION	This includes any items Internal Audit would like to highlight that may not directly relate to a finding. This includes notable performance and innovative controls that should be shared with others , potential concerns raised during the audit that are outside the scope of the review and will be considered separately, and any areas of improvement that had already been addressed by management at the time of the review.

Control Environment: The systems of governance, risk management and internal control. Key elements include establishing and monitoring the authority's objectives, facilitating policy and decision-making, ensuring compliance with established policies and procedures, financial management, and performance management.

Risk Appetite: The amount of risk that the Council is prepared to accept, tolerate, or be exposed to at any point in time.

Residual Risk: The risk remaining after management takes action to reduce the impact and likelihood of an adverse event, including control activities in responding to a risk.

APPENDIX B - INTERNAL AUDIT KEY PERFORMANCE INDICATORS

The Key Performance Indicators (KPIs) for IA quarterly reporting to CMT and the Audit Committee in 2024/25 are set out below:

KPI	Category	Performance Measure	2024/25 Target
KPI 1	Timeliness: IA	Planning to be initiated at least six weeks before the fieldwork start date to allow the relevant service to prepare documents and ensure staff availability.	80%
KPI 2	Timeliness: IA	Draft Reports to be issued three weeks after the end of fieldwork meeting with the key contact	80%
KPI 3	Timeliness: IA	Final Reports to be issued one week after the final approval received from the Audit Sponsor.	80%
KPI 4	Timeliness: IA	Annual IA Plan delivered to draft report stage by 31st March	90%
KPI 5	Timeliness: IA	Annual IA Plan delivered to final report stage by 31st March	80%
KPI 6	Timeliness: Management	Initial documentation requests outlined at the planning meeting to be received by the audit fieldwork start date.	80%
KPI 7	Timeliness: Management	Final approval of the management responses to be received two weeks after the updated report is issued	80%
KPI 8	Timeliness: Management	HIGH and MEDIUM risk IA recommendations completed within the original agreed timescale	80%
KPI 9	Quality	HIGH and MEDIUM risk IA recommendations where positive management action is proposed	95%
KPI 10	Quality	Client Satisfaction Rating from Feedback Questionnaires	85%

Key for future reporting on actual KPI performance:

RED = currently this performance target is not being met (significantly [>5%] short of target performance).

AMBER = currently not meeting this performance target (just short [<5%] of target performance).

GREEN = currently meeting or exceeding this performance target