

Audit & Governance Committee Agenda



To: Dr Olu Olasode (Independent Chair)
Councillor Matt Griffiths (Vice-Chair)
Councillors Claire Bonham, Simon Brew, Sherwan Chowdhury,
Patricia Hay-Justice and Llabuti

Reserve Members: Sean Fitzsimons, Simon Fox, Mark Johnson,
Enid Eileen Mollyneaux and Stella Nabukeera

A meeting of the **Audit & Governance Committee** which you are hereby invited to attend, will be held **Thursday, 23 June 2022 at 6.30 pm. Council Chamber, Town Hall, Katherine Street, Croydon, CR0 1NX.**

Katherine Kerswell
Chief Executive and Head of Paid Service
London Borough of Croydon
Bernard Weatherill House
8 Mint Walk, Croydon CR0 1EA

Marianna Ritchie
Democratic Services
marianna.ritchie@croydon.gov.uk
www.croydon.gov.uk/meetings

Members of the public are welcome to attend this meeting.

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AGENDA

1. **Apologies for Absence**

To receive any apologies for absence from any members of the Committee.

2. **Minutes of the Previous Meeting** (Pages 5 - 8)

To approve the minutes of the former General Purposes and Governance Committee meeting held on 21 April 2022 as an accurate record of the proceedings.

3. **Disclosure of Interest**

Members and co-opted Members of the Council are reminded that, in accordance with the Council's Code of Conduct and the statutory provisions of the Localism Act, they are required to consider **in advance of each meeting** whether they have a disclosable pecuniary interest (DPI), another registrable interest (ORI) or a non-registrable interest (NRI) in relation to any matter on the agenda. If advice is needed, Members should contact the Monitoring Officer **in good time before the meeting**.

If any Member or co-opted Member of the Council identifies a DPI or ORI which they have not already registered on the Council's register of interests or which requires updating, they should complete the disclosure form which can be obtained from Democratic Services at any time, copies of which will be available at the meeting for return to the Monitoring Officer.

Members and co-opted Members are required to disclose any DPIs and ORIs at the meeting.

- Where the matter relates to a DPI they may not participate in any discussion or vote on the matter and must not stay in the meeting unless granted a dispensation.
- Where the matter relates to an ORI they may not vote on the matter unless granted a dispensation.
- Where a Member or co-opted Member has an NRI which directly relates to their financial interest or wellbeing, or that of a relative or close associate, they must disclose the interest at the meeting, may not take part in any discussion or vote on the matter and must not stay in the meeting unless granted a

dispensation. Where a matter affects the NRI of a Member or co-opted Member, section 9 of Appendix B of the Code of Conduct sets out the test which must be applied by the Member to decide whether disclosure is required.

The Chair will invite Members to make their disclosure orally to be recorded in the minutes.

4. Urgent Business (if any)

To receive notice of any business not on the agenda which in the opinion of the Chair, by reason of special circumstances, be considered as a matter of urgency.

5. Internal Audit Charter, Strategy and Plan (Pages 9 - 26)

The Audit and Governance Committee is asked to approve the Internal Audit Charter (Appendix 1), Strategy (Appendix 2) and the plan of audit work for 2022/23 (Appendix 3).

General Purposes and Audit Committee

MINUTES of the Meeting held on Thursday 21 April 2022 at 6.30pm in the Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

Present: Dr Olu Olasode (Independent Chair); and Councillors Karen Jewitt (Vice-Chair); Chris Clark, Nina Degrad, Clive Fraser, Lynne Hale, Ola Kolade, Stuart Millson, Ian Parker, Joy Prince and Paul Scott.

PART A

29/22 **Apologies for Absence and Substitutions**

There were no apologies for absence received from Members.

30/22 **Disclosure of Interests**

There were no disclosures of interests received from Members.

31/22 **Any Urgent Business**

There were no items of urgent business.

32/22 **Minutes of the Previous Meeting**

RESOLVED that the minutes of the previous meeting, held on Thursday 3 March 2022, be approved as an accurate record.

33/22 **Minutes Action Tracker**

RESOLVED that the contents of the Action Tracker, be noted.

34/22 **Assurance Mapping – Next Steps**

The Committee considered a report, which recognised assurance mapping as a good tool to support Audit Committees in their role of providing independent assurance of the organisation's internal controls and risk management. It was proposed that this technique be used to plan and prioritise the Committee's work programme for 2022/23 in order that the Committee fulfilled its terms of reference.

During consideration of the recommendations, the Committee discussed the following:

- (i) The need for ongoing, comprehensive training and briefings to be factored-in, given the complexities of the Committee's work and to allow Members the freedom to ask questions in relation to the details of the training being provided.

- (ii) That the use of new Members' induction to outline the functions and responsibilities of the Committee be considered.
- (iii) That consideration also be given to tapping into the knowledge and experience of existing Committee members, post 9 May 2022, as part of the Committee's training for new and existing Members, moving forward.
- (iv) That more detail be added to some of the points contained within the Code of Governance.
- (v) That "doing the right thing" be added as a work in progress.

Accordingly, it was **RESOLVED** that the report be noted.

35/22 **Anti-Fraud Update Report 1 April 2021 to 31 March 2022**

The Committee considered a report, which detailed the performance of the Council's Corporate Anti-Fraud Team (CAFT) and included details of the Team's performance together with an update on developments between 1 April 2021 and 31 March 2022 and a comparison with 2020/21.

During consideration of the recommendations, the Committee discussed the following:

- (i) Points of clarification within the report, specifically in reference to "pensions", "planning" and "schools", as detailed in Table 2 to the report.
- (ii) Provision for any appeals lodged.
- (iii) Individual or organisation-led housing and illegal sub-lets.
- (iv) Covid grants and Trading Standards
- (v) Any increased costs and whether the Council actively looked for cases of fraud.
- (vi) The use of the Council's in-house Legal Services in dealing with cases of fraudulent activity.

Accordingly, it was **RESOLVED** that the report be noted.

36/22 **General Purposes and Audit Committee – Annual Report 2021-2022**

The Committee considered a report, presented by the Chair, which highlighted the work of the Committee over the last year as provided within the Committee's 'Terms of Reference and Scope of Work'. The report also included a brief forward look into the year ahead on the Committee's work and developments.

During consideration of the recommendations, the Committee discussed the following:

- (i) Points of clarification around the use of the “JACB” acronym and typographical errors (which officers agreed to amend).
- (ii) No mention in the report of CMT’s audit and review of past actions or reference to Fairfield Halls.
- (iii) The timing of the Council’s independent internal audit review (due every five years) and its inclusion in the Committee’s Work Programme for 2022/2023.
- (iv) The next steps for the Annual Report.

Accordingly, it was RESOLVED that the report be noted/referred to Council

Chair’s Closing Remarks

In marking the final meeting of the current Committee, the Chair thanked all Committee Members for accepting him, in his role as independent Chair, and for developing the work of the Committee.

At the invitation of the Chair, the Vice-Chair, Councillor Karen Jewitt, said it had been a difficult time to co-chair the Committee. She said that the new rules and regulations for running the meetings had come to fruition.

The Vice-Chair extended her thanks and gratitude to all Members of the Committee and paid special thanks to Councillors Millson and Prince for their contributions at meetings.

The meeting was declared closed at 7.48pm.

Signed: _____ **(Chair)**

Date: _____

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For General Release

REPORT TO:	AUDIT & GOVERNANCE COMMITTEE 23 June 2022
AGENDA ITEM:	5
SUBJECT:	Internal Audit Charter, Strategy and Plan
LEAD OFFICER:	Head of Internal Audit
CABINET MEMBER:	Councillor Jason Cummings Cabinet Member for Finance
WARDS:	ALL
CORPORATE PRIORITY/POLICY CONTEXT:	
<p>Internal Audit’s work helps the Council to improve its value for money by strengthening financial management and supporting risk management. Strengthening value for money is critical in improving the Council’s ability to deliver services helping the Council achieve all its visions and aims. The external auditor may rely on the work from the internal audit programme when forming opinions and assessments of the Council’s performance.</p>	
FINANCIAL IMPACT	
<p>The Internal Audit contract for 2022/23 is a fixed price contract of £0.369m and appropriate provision has been made within the budget for 2022/23.</p>	

1. RECOMMENDATIONS

- 1.1 The Audit and Governance Committee is asked to approve the Internal Audit Charter (Appendix 1), Strategy (Appendix 2) and the plan of audit work for 2022/23 (Appendix 3).

2. EXECUTIVE SUMMARY

- 2.1 The current UK Public Sector Internal Audit Standards came into effect on 1 April 2013. To help with the Council's compliance with these standards the Council's internal audit charter (appendix 1) and strategy (appendix 2) are reviewed annually and are now attached for approval. These will be reviewed and brought back for approval each year to ensure that these remain up to date and relevant. Also attached is the work plan for internal audit for 2022/23 (appendix 3).

3. DETAIL

- 3.1 In England, specific requirements are detailed in the Accounts and Audit Regulations 2015, in that a relevant body 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."
- 3.2 The UK Public Sector Internal Audit Standards which apply to local and central government, the NHS and the three devolved governments came into force from 1st April 2013 and were further revised in 2016 and 2017. Compliance with these satisfies the requirements of the Accounts and Audit Regulations.
- 3.3 To help with the Council's compliance with these standards the Council's internal audit charter (appendix 1) and strategy (appendix 2) have been reviewed and are attached for approval. These will be reviewed and brought back for approval each year to ensure that these remain up to date and relevant. Also attached for approval is the work plan for internal audit for 2022/23 (appendix 3).
- 3.4 The work plan for 2022/23 follows a similar format to previous years and its make-up is as set out in the audit strategy. It aims to maximise the value from the internal audit resource available and to provide sufficient evidence to enable the Head of Internal Audit to give an opinion on the effectiveness of its risk management, control and governance processes.
- 3.5 The Council's Corporate Management Team has reviewed and supports the work plan.

4. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 4.1 The fixed price for the Internal Audit Contract is £0.369m for 2022/23 and there is adequate provision within the budget to cover this cost. The breakdown of the various audits, as advised within Appendix C, along with their daily charge out rates is indicated within the table below. There are no additional financial considerations relating to this report.

Daily Charge Rate Type	Charge Rate	Total Cost
Key Financials Audits	£ 378	£ 56,322
Key Financials Audits	£ 378	£ 34,020
Key Financials Audits	£ 378	£177,660
Computer Audits	£ 537	£ 38,092
Contract Audits	£ 457	£ 15,995
Key Financials Audits	£ 378	£ 32,130
Key Financials Audits	£ 378	£ 14,742
Grand Total		£368,961

- 4.2 Internal audit plays a key role aiding the improvement of internal controls of the organization and ensuring Council's resources are managed well. Internal Audit's planning methodology is based on risk assessments that include using the Council risk register processes.

(Approved by: Nish Papat, Interim Head of Corporate Finance)

5. LEGAL CONSIDERATIONS

- 5.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that information provided in this report is necessary to demonstrate the Council's compliance with requirements imposed by Regulation 5 of the Accounts and Audit Regulations 2015. The Council is required to 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.

(Approved by Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Interim Director of Legal Services and Deputy Monitoring Officer)

6. HUMAN RESOURCES IMPACT

- 6.1 There are no immediate human resource considerations arising from this report for LBC employees or workers.

(Approved by: Gillian Bevan, Head of HR, Resources)

7. EQUALITIES, ENVIRONMENTAL AND CRIME AND DISORDER REDUCTION IMPACTS

- 7.1 When Internal Audit is developing the Annual Audit Plan or individual audit programmes the impacts of the issues above are considered depending on the nature of the area of service being reviewed. Issues relating to these impacts would be reflected in the audit reports and recommendations.

8. CRIME AND DISORDER

- 8.1 There are no immediate crime and disorder considerations arising from this report.

(Approved by: Kristian Aspinall, Director of Culture & Community Safety)

CONTACT OFFICER: Dave Phillips, Interim Head of Internal Audit

BACKGROUND DOCUMENTS: None

APPENDICES:

- a) Internal Audit Charter 2021
- b) Internal Audit Strategy 2021
- c) LBC Internal Audit Plan 2022-23.1

Internal Audit Charter

This Charter sets out the purpose, authority and responsibility of the Council’s Internal Audit function, in accordance with the mandatory UK Public Sector Internal Audit Standards.

The Charter will be reviewed annually and presented to the General Purposes & Audit Committee for approval.

Purpose

The Institute of Internal Auditors’ International Professional Practices Framework (IPPF) defines internal audit 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.’*

In a local authority internal audit provides independent and objective assurance to the organisation, its Members, the Corporate Management Team (CMT)¹ and in particular to the Chief Financial Officer to help with discharging their responsibilities under S151 of the Local Government Act 1972, relating to the proper administration of the Council’s financial affairs.

In addition, the Accounts and Audit Regulations (2015) specifically require the provision of an internal audit service. In line with the regulations, Internal Audit provides independent assurance on the adequacy of the Council’s risk management, control and governance processes.

The Institute of Internal Auditors (IIA) defines assurance as *‘services that involve the internal auditor’s objective assessment of evidence to provide opinions or conclusions regarding an entity, operation, function, process, system, or other subject matters. The nature and scope of an assurance engagement are determined by the internal auditor.’*

Mission and Core Principles

The IPPF’s overarching ‘Mission’ for Internal Audit services is: *‘...to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.’*

The ‘Core Principles’ that underpin delivery of the IPPF mission require internal audit functions to:

- Demonstrate integrity;
- Be objective and free from undue influence (independent);

¹ Fulfil the role of senior management - Public Sector Internal Audit Standards

- Align with the strategies, objectives and risks of the organisation;
- Be appropriately positioned and adequately resourced;
- Demonstrate quality and continuous improvement;
- Communicate effectively;
- Provide risk-based assurance;
- Be insightful, proactive, and future-focused; and
- Promote organisational improvement.

Authority

The Internal Audit function has unrestricted access to all Council records and information, both manual and computerised, cash, stores and other Council property or assets it considers necessary to fulfil its responsibilities. Internal audit may enter Council property and has unrestricted access to all locations and officers where necessary on demand and without prior notice. Right of access to other bodies funded by the Council should be set out in the conditions of funding.

The Internal Audit function will consider all requests from the external auditors for access to any information, files or working papers obtained or prepared during audit work that has been finalised, which External Audit would need to discharge its responsibilities.

Responsibility

The Council's Head of Internal Audit², is required to provide an annual opinion to the Council and to the Chief Financial Officer, through the Audit and Governance Committee³ (AGC), on the adequacy and the effectiveness of the internal control system for the whole Council. In order to achieve this, the Internal Audit function has the following objectives:

- To provide a quality, independent and objective audit service that effectively meets the Council's needs, adds value, improves operations and helps protect public resources
- To provide assurance to management that the Council's operations are being conducted in accordance with external regulations, legislation, internal policies and procedures.
- To provide a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes
- To provide assurance that significant risks to the Council's objectives are being managed. This is achieved by annually assessing the adequacy and effectiveness of the risk management process.

² Fulfils the role of the Chief Audit Executive – Public Sector Internal Audit Standards

³ Fulfils the role of the board – Public Sector Internal Audit Standards

- To provide advice and support to management to enable an effective control environment to be maintained

Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas identified by the organisation as being of greatest risk and significance and rely on management to provide full access to accounting records and transactions for the purposes of audit work and to ensure the authenticity of these documents.

The remit of Internal Audit covers the entire control environment of the organisation. Where appropriate, Internal Audit will undertake audit or consulting work for the benefit of the Council in organisations in which it has a significant controlling interest, such as Local Authority Trading Companies. Internal Audit may also provide assurance to the Council on third party operations (such as contractors and partners) where this has been provided for as part of the contract.

Internal Audit may undertake consulting activities. The Institute of Internal Auditors (IIA) defines consulting as *'Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisation's governance, risk management and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training.'*

Reporting

The UK Public Sector Internal Audit Standards require the Head of Internal Audit to report at the top of the organisation and this is done in the following ways:

- The Internal Audit Strategy and Charter and any amendments to them are reported to the Corporate Management Team (CMT) directly and then presented to the AGC for formal approval annually.
- The annual Internal Audit Plan is compiled by the Head of Internal Audit taking account of the Council's risk framework and after input from members of CMT and other senior officers. It is then presented to CMT and AGC annually for noting and comment.
- The internal audit budget is reported to Cabinet and Full Council for approval annually as part of the overall Council budget.
- The adequacy, or otherwise, of the level of internal audit resources (as determined by the Head of Internal Audit) and the independence of internal audit will be reported annually to the AGC. The approach to providing resource is set out in the Internal Audit Strategy.

- Performance against the Internal Audit Plan and any significant risk exposures and control issues arising from audit work are reported to the GB and the AGC on a quarterly basis.
- Any significant consulting activity not already included in the audit plan and which might affect the level of assurance work undertaken will be reported to the AGC.
- Results from internal audit's Quality Assurance and Improvement Programme will be reported to AGC.
- The appointment or removal of the Head of Internal Audit must be reported to and approved by CMT.
- Any instances of non-conformance with the Public Sector Internal Audit Standards must be reported to the GB and the AGC and will be included in the Head of Internal Audit's annual report. If there is significant non-conformance this may be included in the Council's Annual Governance Statement.

Independence

The Head of Internal Audit has free and unfettered access to the following:

- Chief Financial Officer
- Chief Executive
- Chair of the AGC
- Monitoring Officer
- Any other member of the CMT.

The Head of Internal Audit is line managed by the Chief Financial Officer. Independence is further safeguarded by ensuring that their annual appraisal is not inappropriately influenced by those subject to audit. This is achieved by ensuring that both the Corporate Director of Resources and the Chair of the AGC contribute to, and/or review the appraisal of the Head of Internal Audit.

All Council and contractor staff in the Internal Audit Service are required to make an annual declaration of interest to ensure that auditors' objectivity is not impaired and that any potential conflicts of interest are appropriately managed. Auditors are also frequently rotated to prevent over-familiarity or complacency which could influence objectivity.

In addition, both the Council and the audit contractor have stringent procedures in place relating to the acceptance of gifts and hospitality and the prevention of bribery.

To maintain independence, any audit staff involved in significant consulting activity will not be involved in the audit of that area for at least 12 months. Nor will any member of audit staff be involved in any audit work for any area in which they have had operational responsibility within the past 12 months.

The Head of Internal Audit has no additional Council responsibilities in addition to internal audit thereby ensuring the absence of any conflicts of interest.

Due Professional Care

The Internal Audit function is bound by the following standards:

- Institute of Internal Auditor's International Code of Ethics;
- Seven Principles of Public Life (Nolan Principles);
- UK Public Sector Internal Audit Standards (2017);
- The CIPFA Local Government Application Note (LGAN);
- The codes of ethics for any professional body that internal auditors are members of;
- All Council Policies and Procedures
- All relevant legislation

Internal Audit is subject to a Quality Assurance and Improvement Programme that covers all aspects of internal audit activity. This consists of an annual self-assessment of the service and its compliance with the UK Public Sector Internal Audit Standards, ongoing performance monitoring and an external assessment at least once every five years by a suitably qualified, independent assessor.

A programme of Continuous Professional Development (CPD) is maintained for all staff working on audit engagements to ensure that auditors maintain and enhance their knowledge, skills and audit competencies. The Head of Internal Audit is required to hold a professional qualification (CCAB or IIA) and be suitably experienced.

The Head of Internal Audit will ensure that the internal audit service has access to an appropriate range of knowledge, skills, personal attributes, qualifications, experience and competencies required to perform and deliver its responsibilities.

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Internal Audit Strategy

This Strategy sets out how the Council’s Internal Audit service will be developed and delivered in accordance with the Internal Audit Charter.

The Strategy will be reviewed annually and presented to the Audit and Governance Committee for approval.

Internal Audit Objectives

Internal Audit will provide independent and objective assurance to the organisation, its Members, the Corporate Management Team (CMT)¹ and in particular to the Chief Financial Officer to support the discharging of their responsibilities under S151 of the Local Government Act 1972, relating to the proper administration of the Council’s financial affairs.

It is the Council’s intention to provide a best practice, cost effective internal audit service.

Internal Audit’s Remit

The internal audit service is an assurance function that primarily provides an independent and objective opinion on the degree to which the internal control environment supports and promotes the achievement of the council’s objectives.

Under the direction of a suitably qualified and experienced Head of Internal Audit² the service will:

- Provide management and Members with an independent, objective assurance and consulting activity designed to add value and improve the Council’s operations.
- Assist the Audit and Governance Committee³ to reinforce the importance of effective corporate governance and ensure internal control improvements are delivered;
- Drive organisational change to improve processes and service performance;
- Work with other internal stakeholders and customers to review and recommend improvements to internal control and governance arrangements in accordance with regulatory and statutory requirements;

¹ Fulfil the role of senior management - Public Sector Internal Audit Standards

² Fulfils the role of the Chief Audit Executive – Public Sector Internal Audit Standards

³ Fulfils the role of the board – Public Sector Internal Audit Standards

- Work closely with other assurance providers to share information and provide a value for money assurance service, and
- Participate in local and national bodies and working groups to influence agendas and developments within the profession.

Internal Audit must ensure that it is not involved in the design, installation and operation of controls so as to compromise its independence and objectivity. Internal Audit will, however offer advice on the design of new internal controls in accordance with best practice.

Service Delivery

The Service will be delivered by the Council's strategic internal audit partner (currently Mazars) under the direction of the Council's Head of Internal Audit (currently an Interim on secondment from Mazars) and supported by an in-house Governance Officer. This provides flexibility of resource and mitigates many of the risks associated with delivering a professional internal audit service.

To ensure that the benefits of the Internal Audit service are maximised and shared as best practice, Croydon has established the APEX Audit & Anti-Fraud Partnership to work with other local authorities. This includes appropriate: resource provision, joint working, audit management & strategy and a range of value added services. (To help mitigate any independence risks while the current Interim Head of Internal Audit in in post, this is currently being overseen by the Head of Fraud, Risk & Insurance).

Internal Audit Planning

Audit planning will be undertaken on an annual basis and audit coverage will be based on the following:

- Discussions with the Council's Corporate Management Team (CMT), Directors and other management;
- The Council's Risk Register;
- The Council's priorities and Corporate Plan;
- Outputs from other assurance providers (e.g. Ofsted or the External Auditor);
- Requirements as agreed in the joint working protocol with External Audit;
- Local and national issues and risks.

The Internal Audit Plan 2022-23 is composed of the following:

- **Risk Based Systems Audit:** Audits of systems, processes or tasks where the internal controls are identified, evaluated and confirmed through risk

assessment process. The internal controls depending on the risk assessment are tested to confirm that they operating correctly. The selection of work in this category is driven by Departments' own risk processes and will increasingly include work in areas where the Council services are delivered in partnership with other organisations.

Internal Audit planning is already significantly based on the Council's risk register and upon risks identified by management. Internal audit will continue to have a significant role in risk management with audit planning being focused by risk and the results of audit work feeding back into the risk management process to form a 'virtuous circle'.

- **Key Financial Systems:** Audits of the Council's key financial systems where External Audit requires annual assurance as part of their external audit work programme.
- **Probity Audit (schools & other establishments):** Audit of a discrete unit. Compliance with legislation, regulation, policies, procedures or best practice are confirmed. For schools this includes assessment against the Schools Financial Value Standard.
- **Computer Audit:** The review of Digital infrastructure and associated systems, software and hardware.
- **Contract Audit:** Audits of the Council's procedures and processes for the letting and monitoring of contracts, including reviews of completed and current contracts.
- **Action Plan Verification:** Testing of reported attainment of key actions or milestones in the various action plans developed to support council renewal.
- **Fraud and Ad Hoc Work:** A contingency of audit days are set aside to cover any fraud and irregularity investigations arising during the year and additional work due to changes or issues arising in-year.

The internal audit plan for 2022-23 covers a period of twelve months. However, Croydon Council and local government as a whole is being subjected to continuous change and financial pressures that may result in changed priorities during the course of the year. Where this happens the Head of Internal Audit may need to flex the internal audit plan; any proposed significant changes to the plan will be reported to the senior management and the Audit and Governance Committee.

Follow-up

Internal Audit will evaluate the Council's progress in implementing audit recommendations against set targets for implementation. Progress will be reported to management and to the Audit and Governance Committee on a regular basis.

Where progress is unsatisfactory or management fails to provide a satisfactory response to follow up requests, Internal Audit will implement the agreed escalation procedure.

Reporting

Internal audit reports the findings of its work in detail to local management at the conclusion of each piece of audit work and in summary to departmental and corporate management on a regular basis. Summary reports are also provided to the Audit and Governance Committee at least four times per year. This includes the Head of Internal Audit's annual report that contributes to the assurances underpinning the Annual Governance Statement of the Council.

2022/23 Annual Audit Plan	Dept	Check	Audit Days
KEY FINANCIAL SYSTEMS REVIEWS			
Adult and Children's Social Care Payment Processes	Resources	1	20
Housing Repairs	Resources	1	15
Parking Enforcement (Incl. Budget modelling and reconciliations)	Resources	1	20
Payments to Schools (Include licensed deficit process)	Resources	1	10
Continuous auditing	Resources	4	70
Follow-up of audits			14
Total Key Financials Audits		8	149
CORPORATE RISK AUDITS			
Agency Use and IR35	Corporate	1	10
Capital Spend Projections and Monitoring	Corporate	1	15
Journals: Impact on Budget Management	Corporate	1	15
Health and Safety : Incident Reporting	Corporate	1	10
Savings Plan Proposals: Assumptions, calculations and timelines	Corporate	1	20
General Records Management	Corporate	1	10
Follow up of audits			10
Total Corporate Risk Audits		6	90
DEPARTMENTAL RISK AUDITS			
DBS Renewals	ACE	1	10
Information Governance: SARs/Fols	ACE	1	15
IT Services - Project Management	ACE	1	10
Members / Officer Protocol – Staff Training	ACE	1	10
Mental health / staff well being	ACE	1	10
Programme Management	ACE	1	15
The Role of the DPO	ACE	1	10
Adult Social Care Transportation Costs : Recording and allocation	ASC	1	10
CES - Banking compliance	ASC	1	10
SUFMT - Appointeeships / Deputyships	ASC	1	15
Supported Living	ASC	1	10

Brokerage	ASC	1	10
SGO Allowances	CYPE	1	10
Budgeting - Looked After Children	CYPE	1	15
Children Leaving Care	CYPE	1	10
Childrens services : Performance management data quality	CYPE	1	10
Fostering: Governance over Fosterers	CYPE	1	10
NRPF: Assessment of finances	CYPE	1	10
Safeguarding - Partnerships & LADO	CYPE	1	10
School Admissions (including appeals)	CYPE	1	10
Traded Services - Education	CYPE	1	10
HEAT - Assessment Management	Housing	1	10
Housing - Leaseholder Service Charges	Housing	1	10
Housing - Tenancy Checks	Housing	1	10
Housing Register: Assessments	Housing	1	10
Housing Rents: Service Charge Calculations	Housing	1	10
Housing: Premises Health and Safety Compliance (excl Fire)	Housing	1	15
CAH - Contract Management	Resources	1	10
Facilities Management Contracts (including off contract spending)	Resources	1	10
Legal Recharges	Resources	1	10
Anti-social Behaviour: Referrals and Case Management	SCRER	1	10
Borough of Culture - Project Management	SCRER	1	10
CALAT – Finance Planning	SCRER	1	10
Food Safety – FSA Reporting	SCRER	1	10
Planning Enforcement: DM systems link to systems and processes in e	SCRER	1	10
SEN Transport – Resilience and demand management	SCRER	1	10
SLWP - Income collection and payment of funds	SCRER	1	15
TFL Reclaims	SCRER	1	15
Use of Legal Services in SCRER: Knowledge management and lessons	SCRER	1	10
Follow up of audits			45
Total Departmental Risk Register Audits		36	470
COMPUTER AUDITS			
Cloud Services – Cost & Security	ACE	1	15
Operating Systems x 3	ACE	3	30
Legal Services Case Management System Review	Resources	1	10

To be determined	Various	1	10
Follow up of audits			6
Total Computer Audits		6	71
CONTRACT AUDITS			
To be determined	Various	3	30
Follow-up of audits			5
Total Contract Audits		3	35
SCHOOLS AUDITS			
Nursey			
Crosfield Nursery and Selhurst Early Years	CYPE	1	6
Pirmary and Junior			
All Saints C of E Primary School	CYPE	1	6
Beulah Juniors	CYPE	1	6
Coulsdon C. of E. School	CYPE	1	6
Heavers Farm Primary School	CYPE	1	6
Elmwood Primary School	CYPE	1	6
Regina Ceoli Primary School	CYPE	1	6
Winetrbourne Junior Girls School	CYPE	1	6
Secondary and Special			
Thomas Moore	CYPE	1	8
Coloma Convent Girls School	CYPE	1	8
Bensham Manor	CYPE	1	8
Follow-up of Schools audits			13
Total Schools Audits		11	85
ADMIN AND MANAGEMENT			
Attendance at meetings, discussions, Audit Committee etc			24
Internal Audit Strategy and Plans Development			10
Year End Summary Report (Council-wide Head of Audit Report)			5
Total Admin and Management			39
GRAND TOTAL BUDGET			
		70	939

Appendix 3: 2022/23 Internal Audit Plan

Total Key Financials Audits		8	149
Total Corporate Risk Audits		6	90
Total Departmental Risk Register Audits		36	470
Total Computer Audits		6	71
Total Contract Audits		3	35
Total Schools Audits		11	85
Total Admin and Management		0	39
Grand Total		70	939