



**APPENDIX 2**

**TO THE INTERNAL AUDIT ANNUAL PLAN**

**2026/27**

London Borough of  
Hammersmith & Fulham  
Internal Audit  
Strategic Plan 2025 to 2028

## Introduction

All Local Authorities face significant financial pressures, coupled with increasing demand for services and are taking more risks as they explore innovative solutions to bridge the funding gap and transform the organisation. There is an inevitable impact on risk, governance and the control environment, and it is important that the internal audit service continues to evolve to ensure that it remains an effective assurance provider.

A primary role of internal audit is to provide assurance that the Council has robust systems of governance and control in place to achieve its priorities and meet its statutory responsibilities. The traditional approach of preparing an annual plan of audits is no longer considered suitable as plans either change significantly throughout the year or fail to keep pace with the organisation's needs. To provide this flexibility, the annual audit plan sets out the next three months of audit activity in detail, keeping the remaining nine months more flexible. Regular conversations, review of risk registers and scanning the external risk environment enables audit work to keep pace with the organisation.

## Purpose and Structure of the Strategic Plan

The strategic audit plan has been prepared to document significant, persistent risks that the Council faces and outlines, in broad terms, business areas or themes to be covered. It also aligns internal audit with the Council's values which underpin the vision for a stronger, safer, kinder borough for everyone:

- **Building shared prosperity**
- **Rising to the challenge of the climate and ecological emergency**
- **Creating a compassionate and inclusive council**
- **Taking pride in H&F**
- **Doing things with residents, not to them**
- **Being ruthlessly financially efficient.**

The plan is intended to support the annual planning process and ensure that, in becoming more agile, internal audit continues to provide assurance over the breadth of the Council's operations and does not become a purely reactive function. However, it is not intended to be a comprehensive list of all possible audit work or a target to be achieved.

Where data can be used a programme of continuous audit will be implemented and themes or specific risks will be identified from discussions with management, and consideration given to other sources of assurance.

The plan is structured into 8 areas

1. Corporate Resources
2. Governance, Partnerships and Transformation
3. Housing
4. Information Management and Technology
5. Children
6. Adults
7. Public Health
8. Environment, Infrastructure and Leisure

The areas do not align exactly with Council departments as there are occasions where services or functions may fall under different departments for operational reasons. Maintaining the strategic plan in this way means that it will not have to change to accommodate any restructures within the Council; services will continue to be aligned with the persistent risks and values identified against each area, providing improved oversight of audit coverage over time

The Strategic Audit Plan is supported by the Internal Audit Strategy, Charter and Mandate, which set out the roles and responsibilities of internal audit in line with the Global Internal Audit Standards (GIAS).

Area	Significant Persistent Risks	Potential Audits
<p><b>Corporate Resources</b></p> <p>Back office and support functions including Finance, HR, business continuity, Risk Management, Health and Safety and Procurement.</p>	<ul style="list-style-type: none"> <li>Internal and external fraud.</li> <li>Poor Financial management.</li> <li>Risks to staff safety and welfare.</li> <li>Value for money not achieved in commissioning, procurement and contract management.</li> <li>Supplier failure.</li> <li>Council reserves and pension fund not invested appropriately and effectively.</li> <li>Council funds not invested effectively.</li> </ul>	<p>Sundry Income, VAT, Pension Fund Investments, Budgets and Forecasts.</p> <p>Pension Fund Administration, Revenues &amp; Benefits, Schemes of delegation and authorisation.</p> <p>Procurement compliance with Procurement Regulations, Procurement Cards, Contract Management.</p> <p>Expenses, Right to Work, DBS, Agency costs, Recruitment, Staff remuneration.</p>
<p><b>Corporate values:</b></p> <ul style="list-style-type: none"> <li>Being ruthlessly financially efficient</li> </ul>	<ul style="list-style-type: none"> <li>Staff do not have the skills, resources or support to discharge their roles effectively.</li> <li>Council unable to cope with business disruption or emergencies.</li> </ul>	<p>Gifts, Hospitality and Declarations/ Conflicts of Interest.</p> <p>Business continuity, Emergency Planning, Health and Safety.</p>
<p><b>Governance, Partnerships and Transformation</b></p> <p>Council Governance Functions, Key strategic partnerships, commercial ventures and transformation programmes and projects.</p>	<ul style="list-style-type: none"> <li>Governance failures bring the Council into disrepute or lead to the aims and objectives of the Council not being achieved.</li> <li>Programmes and projects are not managed effectively, within the required budget and timescales, delivering all expected benefits.</li> <li>Ill-advised strategic partnerships or ventures entered into, or poor governance arrangements lead to objectives not being achieved.</li> <li>Statutory functions are not discharged effectively.</li> <li>Commercial activities are not managed effectively with an adverse impact on forecast income or expenditure.</li> </ul>	<p>Audits of specific areas of governance and or risk management based on discussions with management at either a corporate, thematic or departmental level.</p> <p>Capital Expenditure, Programme and Project Management, Risk Identification and Management, Lessons Learned</p> <p>Significant Partnerships, Joint Venture, Council Owned Companies or Commercial Ventures.</p> <p>SARS, FOIs, Members Enquiries, Complaints, Data Transparency, Electoral, Coroners and Mortuary Services.</p>
<p><b>Corporate values:</b></p> <ul style="list-style-type: none"> <li>Building shared prosperity</li> <li>Rising to the challenge of the climate &amp; ecological emergency</li> <li>Taking pride in Hammersmith &amp; Fulham</li> <li>Being ruthlessly financially efficient</li> </ul>		

Area	Significant Persistent Risks	Potential Audits
<p><b>Housing</b></p> <p>Housing Services provided to Council Tenants, Leaseholders and those at risk of homelessness.</p>	<ul style="list-style-type: none"> <li>• Dwellings are developed, acquired or disposed of that are not in line with the Council’s strategy or value for money is not achieved.</li> <li>• Council housing is acquired through fraud or is illegally sublet</li> <li>• Rent payments and service charges due are not recovered promptly and completely</li> <li>• Housing stock is not maintained in a satisfactory condition leading to health and safety risks and increased reactive maintenance.</li> <li>• Risks to the health and safety of residents are not identified and addressed promptly.</li> <li>• Leaseholders are not consulted and correctly charged for any works affecting their property.</li> <li>• Homeless and those at risk of becoming homeless in the borough do not receive the support they require.</li> </ul>	<p>Housing Rents, Service Charges, Responsive Repairs, Planned Repairs and Maintenance, Disrepair Claims.</p> <p>Health and Safety Compliance, Consumer Standards.</p> <p>Homelessness, Housing Allocations, Temporary Accommodation</p> <p>Requirements of the Building Safety Act and the Housing Regulator.</p>
<p><b>Corporate values:</b></p> <ul style="list-style-type: none"> <li>• Creating a compassionate council</li> <li>• Taking pride in Hammersmith &amp; Fulham</li> <li>• Doing things with residents, not to them</li> </ul>		
<p><b>Information Management and Technology</b></p> <p>Arrangements for management and security of information technology.</p> <p>Arrangements for management of data and compliance with the Data Protection Act.</p>	<ul style="list-style-type: none"> <li>• Data security breach</li> <li>• Cyber Security Attack</li> <li>• Loss of systems or data or delayed recovery in the event of system failure.</li> <li>• Loss, theft or misuse of IT assets</li> </ul>	<p>Periodic IT audit needs assessment, horizon scanning and frequent discussions with management to understand risk areas.</p> <p>IT Strategy, Cyber Security, Asset Management, IT Disaster Recovery, Network Security, Third-Party Access Controls, Risk Management, Cloud Computing, Mobile Device Management, PCI Compliance.</p> <p>Information Governance and Data Protection.</p> <p>New system implementation, post implementation reviews and software application reviews. .</p>
<p><b>Corporate values:</b></p> <ul style="list-style-type: none"> <li>• Creating a compassionate &amp; inclusive council</li> <li>• Being ruthlessly financially efficient</li> </ul>		

Area	Significant Persistent Risks	Potential Audits
<p><b>Children</b></p> <p>Services provided for Children and Families including Schools, Adopting and Fostering, Looked After Children, Family Support, and SEND.</p> <p><b>Corporate values:</b></p> <ul style="list-style-type: none"> <li>• Creating a compassionate council</li> <li>• Doing things with residents, not to them</li> <li>• Being ruthlessly financially efficient</li> </ul>	<ul style="list-style-type: none"> <li>• Placements or support provided are inadequate or unsustainable for a child / family’s needs</li> <li>• Value for money not achieved in providing support</li> <li>• Failure to adequately safeguard children</li> <li>• Increased demands for services coupled with reduced funding.</li> </ul>	<p>Based on discussions with management and taking into account alternative sources of assurance.</p> <p>Direct Payments, Looked After Children, Adoption, Fostering, Placements, Transitions, Safeguarding, Transport, Schools, Early Years, Early Help / Prevention, SEND,</p> <p>Every maintained school audited once in a 5-year period, with more frequent reviews based on previous audit results and known issues.</p>
<p><b>Adults</b></p> <p>Services provided to adults including Day Care, Home Care, Direct Payments, Preventions and Mental Health services.</p> <p><b>Corporate values:</b></p> <ul style="list-style-type: none"> <li>• Creating a compassionate council</li> <li>• Doing things with residents, not to them</li> <li>• Being ruthlessly financially efficient</li> </ul>	<ul style="list-style-type: none"> <li>• Placements or support provided are inadequate or unsustainable</li> <li>• Value for money not achieved in providing support</li> <li>• Failure to adequately safeguard vulnerable adults</li> <li>• Financial management and governance</li> <li>• Preventative activity does not successfully reduce the burden on care services.</li> <li>• Joint working between the Council and health service is ineffective.</li> <li>• Increased demand for services coupled with reduced funding and a challenging care market.</li> </ul>	<p>Based on discussions with management and taking into account alternative sources of assurance.</p> <p>Placements, Direct Payments, Safeguarding, Client Affairs, Reablement and Preventions, Day Care Provision and Home Care Provision.</p> <p>Financial Assessments, Care Assessments and Support Planning, Joint Working with Health and Mental Health.</p>
<p><b>Public Health</b></p> <p>Public Health functions to improve health and wellbeing and reduce health inequalities within the borough.</p> <p><b>Corporate values:</b></p> <ul style="list-style-type: none"> <li>• Creating a compassionate council</li> <li>• Doing things with residents, not to them</li> <li>• Being ruthlessly financially efficient</li> </ul>	<ul style="list-style-type: none"> <li>• Public Health activity does address root causes of health and wellbeing issues or inequalities within the borough.</li> <li>• Value for money not achieved in commissioning, procurement and contract management</li> <li>• Funding provided to organisations and other Council departments does not achieve Public Health objectives.</li> </ul>	<p>Directly delivered Public Health functions, Commissioning, Strategic Needs Assessments, Health and Wellbeing Strategies, allocation of PH Funding.</p>

Area	Significant Persistent Risks	Potential Audits
<p><b>Environment, Infrastructure and Leisure</b></p> <p>Services provided for residents, businesses and visitors to the borough such as Planning and Building Control, Parking, Highways, Environmental Health, Community Safety, Leisure, Culture and Amenity services.</p> <p><b>Corporate values:</b></p> <ul style="list-style-type: none"> <li>• Building shared prosperity</li> <li>• Rising to the challenge of the climate &amp; ecological emergency</li> <li>• Creating a compassionate council</li> <li>• Taking pride in Hammersmith &amp; Fulham</li> <li>• Doing things with residents, not to them</li> <li>• Being ruthlessly financially efficient</li> </ul>	<ul style="list-style-type: none"> <li>• Statutory and regulatory functions are not discharged;</li> <li>• Development in the borough is not effectively managed through planning, building control and section 106 agreements and the CIL.</li> <li>• Injury to health /wellbeing of the community, businesses and visitors.</li> <li>• Parks, footways and highways not kept in good state of repair.</li> <li>• Safety of communities within the borough deteriorate.</li> <li>• Action taken to address climate and ecological emergency (such as recycling and energy efficiency) is ineffective.</li> <li>• Value for money not achieved in commissioning, procurement and contract management</li> </ul>	<p>Waste Management and Street Cleansing</p> <p>Parks, Leisure, Libraries, Tree Management and Grounds Maintenance.</p> <p>Planning Control, Building Control, S106 and CIL.</p> <p>Environmental Health, Food Safety, Licensing and Trading Standards</p> <p>Highways, Footways, Bridges, Street Lighting, Traffic Management</p> <p>Parking</p> <p>Community Safety, CCTV</p> <p>Utilities and Energy Management</p> <p>Cemeteries</p>

**Allocation of Internal Audit Resource**

Audit resource will be allocated based on the concentration of risk in each area, council priorities and alternative sources of assurance. There is no target allocation of resources, although actual audit coverage in the eight areas in the Strategic Plan will be monitored each year to ensure that it is appropriate.