

Appendix 2: Internal Audit Plan 2016/17

Dept	Council activity and focus of audit work	Fraud risk	Status as at 16th June 2017
Managing the Business			
Aim: Excellent			
All	<p>Business Continuity</p> <p>To assess whether the Council has effectively analysed the results of Operation Meltdown and introduced the required improvements.</p>	No	Report issued February 2017.
All	<p>Complaints Handling</p> <p>To assess whether stage one and two complaints have been handled in compliance with the policy.</p>	No	Draft report being produced.
All	<p>Corporate Procurement Strategy and Toolkit</p> <p>To assess whether the Corporate Procurement Strategy and Toolkit are fit for purpose and consistent within the overall set of Contract Management Framework documents.</p>	Yes	Report issued December 2016.
CS	<p>Departmental Contract Management Arrangements</p> <p>To assess whether the departmental contract monitoring arrangements ensure they are properly let and robustly managed.</p>	No	No longer relevant with the change in management structure.
PL	<p>Departmental Contract Management Arrangements</p> <p>To assess whether the departmental contract monitoring arrangements ensure they are properly let and robustly managed.</p>	No	Delete this year due to a change in priorities. Return to risk watch list.
PL / PE	<p>Departmental Project Assurance Arrangements</p> <p>To assess the design and effectiveness of the departments arrangements for monitoring the deliver of significant projects.</p>	No	Moved to 2017/18 Audit Plan.
All	<p>Risk Management, Corporate and Service Plan Risks</p> <p>To assess whether risks, controls and assurances in risk registers are being properly identified and recorded in line with the requirements of the Risk Management Policy and Strategy.</p>	No	Report issued December 2016.
All	<p>Risk Management, Project Risks</p> <p>To assess whether project risks are properly understood and consistently defined in accordance with the Council's Risk Management Strategy and Toolkit.</p>	No	Report issued December 2016.

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All	<p>Risk Management</p> <p>To provide practice feedback on addressing the issues arising from the original work</p>	No	<p>Second phase of the work complete, refer to item 7 on the agenda.</p> <p>A third phase to this work has been approved. This has been included in the 2017/18 Audit Plan.</p>
Managing Service Delivery Risks			
Aim: Safe			
PE	<p>Adult Social Care Services, Assessment of Personal Budgets</p> <p>To assess whether personal budgets paid by direct payments are valid, accurate and complete as per the client's assessed needs.</p>	Yes	Report issued December 2016.
PE	<p>Adult Social Care Services, Independent File Review</p> <p>To assess whether there is robust management review of adult social care files to ensure they met all required statutory and good practice requirements.</p>	No	Deleted. Framework will be developed after the implementation of Social Care IT Case Management System.
PE / PL	<p>Domestic Homicide Reviews</p> <p>To assess whether action plans produced following safeguarding reviews (children's and or adult Serious Case Reviews and or Domestic Homicide reviews) are being implemented, in a timely manner and actively monitored by senior management.</p>	No	Reported findings to Chief Executive in August 2016.
PE	<p>Financial Monitoring of Direct Payments</p> <p>To assess whether there are robust financial monitoring arrangements in place to ensure payments made directly to clients (not via Vibrance the Council's contract provider) are used to meet the assessed eligible needs and outcomes identified in Care Support Plans.</p>	Yes	Report issued March 2017.
PE	<p>Safeguarding Child Sexual Exploitation Action Plan</p> <p>To work with management to ensure actions contained in the action plan are SMART.</p>	No	Feedback was provided to management on the action plan before it was finalised in June 2016.

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PE	<p>Safeguarding Peer Review Action Plan</p> <p>To check that actions agreed have been effectively implemented and are now embedded into the day to day operation of the service.</p>	No	Deleted as the actions arising from it are being built into the OFSTED inspection action plan.
PE	<p>Social Care IT Case Management System Contract, Procurement</p> <p>To assess whether the replacement IT system for CareFirst, the Children's Services and Adult Service case management system, was appropriately specified and selected, so audit focus will be how the package was procured.</p>	Yes	Report issued December 2016.
PE	<p>Social Care IT Case Management System, Project Implementation Health Check</p> <p>To assess whether the replacement IT system for CareFirst, the Children's and Adult Service case management system, is implemented, properly by the planned go live date.</p>	No	Report issued November 2016.
PE	<p>Social Care IT Case Management System, Project Implementation, Children's Services</p> <p>To assess whether the project plan is implemented properly by the planned go live date.</p>	No	Moved to 2017/18 Audit Plan as the project delivery plan was revised early in 2017.
PE	<p>Social Care Payments to Individuals and Providers</p> <p>To assess the robustness of the arrangements to ensure accurate social care payments are made covering one or more of the following:</p> <ul style="list-style-type: none"> • Residential care including Dynamic Purchasing system (Sprock) • Direct payments • Home care • Children's care. 	Yes	Moved to 2017/18 Audit Plan as this process is being designed as part of the Social Care IT Case Management System project.
<i>Implementing Action Plans</i>			
PE	<ul style="list-style-type: none"> • Mental Health Direct Payments 	Yes	Report issued February 2017.
PL	<ul style="list-style-type: none"> • Licensing 	Yes	Report issued February 2017.
PE	<ul style="list-style-type: none"> • Safeguarding: Serious Case Review Action Plan Implementation 	No	Draft report with the Audit Manager.
PL	<ul style="list-style-type: none"> • Traffic Management Schemes implemented by Traffic Regulation Orders 	Yes	Report issued January 2017.

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Aim: Clean			
PL	<p>Essex Waste Partnership</p> <p>To review the management of the Partnership Agreement with Essex County Council for the use of the Mechanical and Biological Treatment Plant (MBT).</p>	No	Given the current status of this arrangement, this review is being postponed.
PL	<p>Recycling, Waste and Street Cleansing Services Contract Management</p> <p>To assess whether the Recycling, Waste and Street Cleansing Services contract is being effectively managed.</p>	Yes	Given the operational issues being dealt with, this review is being postponed.
Aim: Healthy			
PE	<p>Commissioning Public Health Services for 0-5 Year Olds</p> <p>To assess whether the 0 to five year old services to be transferred to the Council in October 2015 are effectively integrated into the Council and associated budgets are sufficiently understood to ensure the services can be affordably delivered future years.</p>	No	Report issued December 2016.
PE	<p>Drug and Alcohol Commissioning Team Governance</p> <p>To evaluate the clarity and understanding of its objectives, role and reporting lines.</p>	No	Report issued June 2017.
PE	<p>Pioneer Programme Board / Integrated Commissioning Team</p> <p>To map how the Pioneer Programme Board operates, including:</p> <ul style="list-style-type: none"> • its work streams and management of specific Council risks • its governance structure and reporting • the link with the Better Care Fund's Section 75 Agreement • how the joint commissioning team fits in. 	No	The Pioneer Programme Board no longer exists therefore the audit, in this form, has been deleted.
PE	<p>Public Health, Health Protection</p> <p>To assess whether there are robust policies, procedures and working arrangements in place with relevant parties to ensure public safety, prevent transmission of diseases and manage incidents which threaten the public's health.</p>	No	Report issued July 2016.

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PL	<p>Leisure Services (Fusion) Contract Management</p> <p>To assess whether the Leisure contract is being effectively managed.</p>	Yes	Draft report being produced.
PE	<p>Adult Social Care Local Authority Trading Company</p> <p>To develop an internal audit risk assessment, Charter, Strategy and Audit Plan for 2017/18.</p>	Yes	<p>Research completed.</p> <p>The Audit Plan and supporting documents are to be produced.</p>
Implementing Action Plans			
PE	<ul style="list-style-type: none"> • Family Mosaic Contract Management 	Yes	Draft report with the Audit Manager.
PE	<ul style="list-style-type: none"> • Managing OFSTED Action Plans 	No	Report issued December 2016.
PE	<ul style="list-style-type: none"> • Reablement 	No	Work in progress.
PL	<ul style="list-style-type: none"> • The Forum Governance Arrangements 	No	Report issued March 2017.
Aim: Prosperous			
PL	<p>Airport Business Park Project Assurance</p> <p>To assess whether robust arrangements are in place to provide independent assurance regarding the future performance of the project.</p>	No	Report issued May 2017.
PE	<p>Better Queensway</p> <p>To assess whether robust arrangements are in place to provide independent assurance regarding the future performance of the project.</p>	No	Interim feedback provided to senior management April 2017.
PE	<p>Better Start Early Years (Big Lottery Grant over 10 years)</p> <p>To assess the adequacy of the governance arrangements, specifically relating to:</p> <ul style="list-style-type: none"> • clarity of deliverables • risks to the Council • roles and responsibilities • accountability for delivering grant terms and conditions. 	No	Deleted. The arrangements were being independently reviewed. The need to audit this will be reassessed once the new framework is embedded.

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PE	<p>Corporate Procurement Team, Contract Letting</p> <p>To assess whether it operates in accordance with recognised professional standards and its own procedures by reviewing some contracts let by the team.</p>	Yes	Draft report with the Head of Internal Audit.
PE	<p>Corporate Procurement Team, Procure to Pay (P2P)</p> <p>To assess the effectiveness of the new arrangements introduced by the Corporate Procurement team to monitor compliance with P2P requirements.</p>	No	Draft report being finalised with client.
PE	<p>Housing Allocations</p> <p>To assess whether the Allocations Policy reflects good practice and is properly and consistently applied.</p>	Yes	Report issued December 2016.
CE	<p>Leases and Licences</p> <p>To assess whether lease and license records are complete, reviewed in a timely manner and all income due is collected.</p>	Yes	Draft report with the Head of Internal Audit.
PE	<p>Purchasing Cards (P Cards)</p> <p>To assess the robustness of arrangements for:</p> <ul style="list-style-type: none"> • issuing cards • monitoring and post authorising the spend. 	Yes	Report issued October 2016.
CE	<p>Right to Buy</p> <p>To assess whether the legal aspects of the transaction are processed properly and other Council services are notified of and amend their records accordingly.</p> <p>(This links to a review of the front end of the process at South Essex Homes)</p>	Yes	Report issued March 2017.
Implementing Action Plans			
PE	<ul style="list-style-type: none"> • Southend Adult Community College 	No	Report issued April 2017.
Aim: Excellent			
PL	<p>Highways Contract, Processing Payments</p> <p>To assess whether the payments made for works under the Malborough Surfacing contract (Lot 1) are accurate and properly authorised in line with Contract Procedure Rules / Financial Regulations.</p>	Yes	Interim feedback briefing memo provided to management.

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PL	<p>Highways Contract Management</p> <p>To assess whether the highways block of contracts are being effectively managed.</p>	Yes	No further work proposed this year given the results of the Processing Payments review.
PE / PL	<p>Works Contract Letting, St Helen's Roman Catholic School</p> <p>To assess whether the works contract was let properly, met the clients' expectations and delivered in budget.</p>	Yes	Report issued January 2017.
PE	<p>Section 75 Partnership Agreement, Integrated Equipment Service</p> <p>To assess whether Section 75 agreements clearly set out the service requirements and how the service will be managed on an on-going basis.</p>	Yes	Report issued December 2016.
PL	<p>Management of Works Contracts</p> <p>To assess whether works contracts are effectively managed.</p>	Yes	Draft report with the Head of Internal Audit.
Aim: All			
PL	<p>Cyber Security Governance</p> <p>To assess the effectiveness of arrangements in place to protect the Council from cyber attacks and other online vulnerabilities.</p>	Yes	Report issued June 2017.
CS	<p>Individual Electoral Registration</p> <p>To confirm that appropriate verification procedures have been applied when implementing Individual Electoral Registration.</p>		Delete this year due to a change in priorities.
PL	<p>IT Data Security Policy Application</p> <p>To assess whether the relevant standards are met to ensure the Council's data is secure.</p>	No	Report issued May 2017.
PL	<p>IT Infrastructure and Asset Management</p> <p>To assess whether the on-going management of IT fixed assets ensures the IT infrastructure meets the Council's service needs.</p>	No	Report issued November 2016.

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PL	<p>IT Systems and Network Access Controls</p> <p>To assess the effectiveness of controls in place to restrict access to important Council system and network functions.</p>	Yes	This work was postponed until 2017/18 in order to spread the ICT audits over a longer elapsed time given the availability of resources to do this work.
PL	<p>IT Change Management</p> <p>To assess whether there is an effective, corporate process for managing changes made to IT systems used by services.</p>	No	Draft report with the Head of Internal Audit.
CS	<p>Recruitment Contract Management</p> <p>To assess whether the Recruitment contract is being effectively managed for both permanent and temporary recruitment, as well as specialist services.</p>	Yes	Delete this year due to a change in priorities.
<i>Implementing Action Plans</i>			
PL	<ul style="list-style-type: none"> • Cleaning Services Contract Management 	Yes	Draft report with the Audit Manager.
PL	<ul style="list-style-type: none"> • Third Party Hosting 	No	Report issued March 2017.
CE	<ul style="list-style-type: none"> • Welfare Reform 	No	Report issued September 2016.
Key Financial Systems			
Aim: All Aims			
To assess whether the key controls in each of the key financial systems effectively prevent or detect material errors on a timely basis so that this information can be relied upon when producing the Council's statement of accounts.			
	Financial Systems 2015/16		
CE	<ul style="list-style-type: none"> • Accounts Receivable: General Debtors 	Yes	Report issued September 2016.
CE	<ul style="list-style-type: none"> • Accounts Payable 	Yes	
CE	<ul style="list-style-type: none"> • Council Tax 	Yes	
CE	<ul style="list-style-type: none"> • General Ledger 	No	
CE	<ul style="list-style-type: none"> • Housing Benefits 	Yes	

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CE	<ul style="list-style-type: none"> • Income, Receipting and Banking 	Yes	
CE	<ul style="list-style-type: none"> • Treasury Management 	Yes	
	Financial Systems 2016/17		
CE	<ul style="list-style-type: none"> • Systems work required to support the audit of the financial statements 	Yes	Report issued June 2017.
CE	<ul style="list-style-type: none"> • Accounts Payable 	Yes	Draft report being produced.
CE	<ul style="list-style-type: none"> • Accounts Receivable: Social Care Debt Revisited 	Yes	Report issued June 2017.
CE	<ul style="list-style-type: none"> • Payroll 	Yes	Postponed until April 2017 as all the work not due to be completed until March 2017.
Grant Claims			
	To certify, in all significant respects, that the conditions attached to the grant have been complied with.		
PL	<ul style="list-style-type: none"> • Coastal Communities Fund 	U	Unqualified opinion given January 2017
PE	<ul style="list-style-type: none"> • Troubled Families Programme, Payments by Results Scheme Grant 	U	Unqualified opinions given on claims for: <ul style="list-style-type: none"> • September 2016 • January 2017. • March 2017.
PL	<ul style="list-style-type: none"> • South East Essex Local Growth Fund 	U	Unqualified opinion given July 2016.
PL	<ul style="list-style-type: none"> • Highways Maintenance Challenge Fund 	U	Unqualified opinions given September 2016.
PL	<ul style="list-style-type: none"> • Local Transport Capital Block Funding 	U	
PE	<ul style="list-style-type: none"> • Disabled Facilities Grant 	U	
PL	<ul style="list-style-type: none"> • A127 Corridor Growth Scheme 	U	

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Advice and Support			
To provide critical support and challenge to management whilst they are reviewing or development services, systems or process, so appropriate controls can be built into them as the work is completed.			
Aim: Safe			
PE	<p>Children's Services' Safeguarding Performance Indicators</p> <p>To assess whether the correct core data is used as required by the definitions and method of calculations, to produce the Children's Services' Safeguarding Performance Indicators (PI).</p>	No	Interim report produced for management December 2016.
PE	<p>OFSTED Report Action Planning</p> <p>To support the service in producing a SMART action plan from the OFSTED inspection report.</p>	No	Work completed. Feedback taken into account in preparing final report for submission to OFSTED.
Aim: Prosperous			
PE	<p>Education Board</p> <p>To provide supportive, critical challenge as the new regime develops and is implemented.</p>	No	Interim feedback provided to management February 2017.
All Aims			
PL	<p>Fuel Cards</p> <p>To provide independent review, support and challenge to assist with the delivery of the groups' objectives and work programme.</p>		Complete.
CE	<p>Payroll</p> <p>To provide advice and support as the actions from the most recent Payroll audit are implemented.</p>		Complete.
PE	<p>Action Planning</p> <p>A workshop was delivered to a group of staff from the Department of People on how to produce effective action plans.</p>		Delivered November 2016.

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To provide independent review, support and challenge to assist with the delivery of the groups' objectives and work programme.			
	Attendance at Groups To provide supportive, critical challenge as required		
	<ul style="list-style-type: none"> • Agresso Review Group 		Attend as required.
	<ul style="list-style-type: none"> • External Grant Funding Group 		Attend as required.
	<ul style="list-style-type: none"> • Good Governance Group 		The Head of Internal Audit attends.
	<ul style="list-style-type: none"> • Schools Support and Improvement Board 		The Head of Internal Audit attended until the Board disbanded in July 2016.
Managing Delivery of the Audit Plan			
	Audit Planning, Resourcing		
	Managing Contractor Work		
	Reporting to Management Team and Audit Committee		
	Contingency		

Implementing action plans

The objective of this work is to check that actions agreed have been effectively implemented and are now embedded into the day-to-day operation of the service.

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Schools Audit Programme			
Aim: Prosperous			
PE	Virtual School The robustness of the processes in place which ensure Looked After Children achieve the outcomes in their Personal Education Plans.	Yes	Draft report with the Head of Internal Audit.
PE	Schools Audit Programme To assess whether individual schools have adequate and effective governance, information and asset management as well as financial management and reporting arrangements in place.		
	<ul style="list-style-type: none"> • Earls Hall Primary School 	Yes	Draft report with the Head of Internal Audit.
	<ul style="list-style-type: none"> • Leigh North Street Primary School 	Yes	Draft report with the Head of Internal Audit.
PE	Revisiting audit reports To check that recommendations made have been implemented, properly, in a timely manner.		
	<ul style="list-style-type: none"> • Blenheim Primary School 	Yes	Report issued June 2016.
	<ul style="list-style-type: none"> • Chalkwell Hall Junior School 	Yes	Report issued March 2017.
	<ul style="list-style-type: none"> • Friars Primary School (Academy from 1/9/16) 	Yes	Reports issued December 2016.
	<ul style="list-style-type: none"> • Hamstel Infant School (Academy from 1/9/16) 	Yes	
	<ul style="list-style-type: none"> • Heycroft Primary School 	Yes	
	<ul style="list-style-type: none"> • Hinguar Community Primary School (Academy from 1/9/16) 	Yes	
	<ul style="list-style-type: none"> • Kingsdown Primary School 	Yes	Report issued December 2016.
	<ul style="list-style-type: none"> • Milton Hall Primary School 	Yes	Report issued December 2016.

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	<ul style="list-style-type: none"> • Our Lady of Lourdes Catholic Primary School 	Yes	Audit cancelled as school becoming an Academy.
	<ul style="list-style-type: none"> • Seabrook College 	Yes	Report issued December 2016.
	<ul style="list-style-type: none"> • Sacred Heart Catholic Primary School 	Yes	Report issued September 2016.
	<ul style="list-style-type: none"> • St George's Catholic Primary School 	Yes	Reports issued March 2017.
	<ul style="list-style-type: none"> • St Helen's Catholic Primary School 	Yes	
	<ul style="list-style-type: none"> • St Nicholas School 	Yes	
	<ul style="list-style-type: none"> • The Federation of Greenways Schools (Academy from 1/10/16) 	Yes	Report issued December 2016.