

## Appendix 1: Internal Audit Plan 2017/18

Dept	Council activity and focus of audit work	Fraud risk	Status 14th August 2017
<b>Managing the Business</b>			
<b>Aim: Excellent</b>			
CE	<p><b>Asset Register</b></p> <p>To assess the arrangements for ensuring there are accurate and complete records for managing the Council's assets.</p>	Yes	Terms of Reference being produced.
All	<p><b>Complaints Handling</b></p> <p>To assess whether stage one and two complaints have been handled in compliance with the policy.</p>	No	Draft report being produced.
PL / PE	<p><b>Departmental Project Assurance Arrangements</b></p> <p>To assess the design and effectiveness of the departments arrangements for monitoring the deliver of significant projects.</p> <p>To review the project management toolkit used by the department to assess whether it could be used as a corporate model.</p>	No	Work in progress.
CE	<p><b>Emergency Planning</b></p> <p>To assess the robustness of the Council's preparedness to respond to a civil emergency under the Civil Contingencies Act 2004.</p>	No	Planned for August to September 2017.
CE	<p><b>Information Governance, General Data Protection Regulation</b></p> <p>To undertake a baseline assessment of IT risks against a standard good practice framework and use this to develop the IT element of the Audit Plan going forward.</p>	No	Planned for January 2018.
PL	<p><b>IT Risk Assessment</b></p> <p>To undertake a baseline assessment of IT risks against a standard good practice framework and use this to develop the IT element of the Audit Plan going forward.</p>	No	Work in progress.
All	<p><b>Risk Management</b></p> <p>To work with the Council to embed risk management into its day to day operations.</p>	No	Terms of Reference being reviewed by Chief Executive.
<b>Implementing Action Plans</b>			
CE	<p><b>Business Continuity</b></p>	No	Planned for October to December 2017.

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<b>Managing Service Delivery Risks</b>			
<b>Aim: Safe</b>			
PE	<p><b>Actions from Children’s Quality Assurance File Audits</b></p> <p>To assess whether the arrangements which give senior management assurance that key actions identified from Quality Assurance audits are addressed in the agreed the timeframes, have been fully embedded in day to day working.</p>	No	Planned for October to December 2017.
PE	<p><b>Child Residential Placements</b></p> <p>To assess the robustness of arrangements for approving residential placements for children.</p>	Yes	Terms of Reference being agreed.
PL	<p><b>Community Safety Partnership</b></p> <p>To evaluate the clarity and understanding of its governance framework including its objectives, roles and responsibilities and reporting requirements.</p>	No	Work in progress.
PE	<p><b>Data Quality</b></p> <p>To assess the robustness of arrangements in place which ensure accurate and timely information is produced for a sample of performance indicators reported to senior management.</p>	Yes	Planned for October to December 2017.
PE	<p><b>Drug and Alcohol: Contract Management</b></p> <p>To assess whether contracts are being effectively managed.</p>	Yes	This work is being deleted as the service is in the process of re-letting these contracts.
PE	<p><b>Early Help and Family Support: Quality Assurance Tool</b></p> <p>To assess the robustness of the Quality Assurance Framework operated by the Early Help Family Support team which is designed to provide management with good quality, independent evidence that cases are being managed in accordance with relevant assessment and / or legislative guidance.</p>	Yes	Planned for December 2017 to March 2018.
PE	<p><b>Ofsted Improvement Plan</b></p> <p>To confirm the robustness of the Council’s arrangements for implementing a sample of actions identified in the Ofsted Improvement Plan to ensure they become embedded into day to day working practises.</p>	No	Terms of Reference agreed.

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PE / PL	<p><b>Social Care IT Case Management System, Project Implementation (Liquid Logic)</b></p> <p>To provide a framework to enable an assessment to be made of the readiness of the new Social Care IT Case Management System for Children's and Adults services to 'Go Live'.</p> <p>To independently challenge and report on the Project Team's assessment against the success criteria within the framework, prior to any decision being made by the Project Board to 'Go Live'.</p>	No	Work in progress.
PE	<p><b>Social Care Payments to Individuals and Providers</b></p> <p>To assess whether the control framework being designed into the new Liquidlogic case management system and the ContrOCC finance module, is robust enough to ensure that accurate and timely social care payments are made to individuals and providers.</p>	Yes	Work in progress.
PE	<p><b>Special Education Needs</b></p> <p>To assess the arrangements for ensuring all Special Education Need (SEN) Statements are converted to Education Health and Care (EHC) Plans by the 2018 deadline.</p>	Yes	Finalising resources for this work.
<b><i>Implementing Action Plans</i></b>			
PE	<p><b>Children's Services Safeguarding Performance Indicators</b></p> <p>To assess the progress made in improving the robustness of arrangements for producing performance data for nationally reported safeguarding indicators.</p>	No	This work is being postponed until 2018/19 when the new Social Care IT Case Management system is operational.
PE	<b>Direct Payments, Financial Monitoring</b>	Yes	Planned for October to December 2017.
PE	<b>Direct Payments, Mental Health</b>	Yes	Draft report being produced.
PL	<b>Licensing</b>	Yes	Planned for October to December 2017.
PE	<b>Social Care IT Case Management System Contract Procurement</b>	Yes	Finalising resources for this work.

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<b>Aim: Clean</b>			
PL	<p><b>Recycling, Waste and Street Cleansing Services Contract Management</b></p> <p>To assess whether the Recycling, Waste and Street Cleansing Services contract is being effectively managed.</p>	Yes	Planned for October to December 2017.
PL	<p><b>Southend Energy (OVO)</b></p> <p>To assess the Council's arrangements for monitoring delivery of the expected benefits from the partnership / contract arrangements.</p>	Yes	Fieldwork complete. Draft report being produced.
<b>Aim: Healthy</b>			
PE	<p><b>Adult Care Transformation Project</b></p> <p>To map, assess the risks relating to and assurances in place to ensure the changes being made to service delivery arrangements are effectively implemented.</p>	No	Work in progress.
PE	<p><b>Commissioning Partners Governance Arrangements</b></p> <p>To assess the adequacy of governance arrangements for the delivery of joint commissioning work between the Council and the Clinical Commissioning Group (CCG).</p>	Yes	Terms of Reference being discussed with client.
PE	<p><b>Integrated Commissioning</b></p> <p>To map, assess the risks relating to and assurances in place to ensure the manner in which this operates is effectively and tangibly contributes to the delivery of corporate objectives.</p>	No	Planned for October to December 2017.
PE	<p><b>Local Authority Trading Company (LATC)</b></p> <p>To evaluate the Council's arrangements for monitoring the delivery of service delivery targets set out in the Block Contract with the LATC.</p>	No	Planned for October to December 2017.
PL	<p><b>Leisure Services (Fusion) Contract Management</b></p> <p>To assess whether the Leisure contract is being effectively managed.</p>	Yes	Draft report being produced.

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PE	<p><b>Section 75 Agreement with South Essex Partnership University NHS Foundation (SEPT) for Mental Health Services</b></p> <p>To assess the robustness of the Council's arrangements for monitoring the delivery of social care services to adults of working age as set out in the Section 75 partnership agreement.</p>	Yes	Finalising resources for this work.
<b>Implementing Action Plans</b>			
PE	<b>Family Mosaic Contract Management</b>	Yes	Deleted as this service area has now been restructured.
PL	<b>The Forum Governance Arrangements</b>	Yes	Deleted but will discuss what to do with the outstanding actions with the Deputy Chief Executive (Place).
<b>Aim: Prosperous</b>			
PL	<p><b>Airport Business Park Project Assurance</b></p> <p>To:</p> <ul style="list-style-type: none"> <li>• follow up the implementation of recommendations from audit work in 2016/17</li> <li>• identify and gain assurance over the proper implementation of the project's key milestones.</li> </ul>	Yes	Planned for October to December 2017.
PE	<p><b>Better Queensway</b></p> <p>To:</p> <ul style="list-style-type: none"> <li>• follow up the implementation of recommendations from audit work in 2016/17</li> <li>• identify and gain assurance over the proper implementation of the project's key milestones.</li> </ul>	Yes	Planned for November 2017.
PL	<p><b>Car Park Management Contract (Lot 1) Contract Management</b></p> <p>To assess whether the Parking Compliance arrangements (issuing and collecting Parking Charge Notices) as part of the Parking Management contract are being effectively managed.</p>	Yes	Planned for October to December 2017.

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PL	<p><b>Car Park Management Contract (Lot 2) Contract Management</b></p> <p>To assess whether the Car Park Management arrangements (cash collection) as part of the Parking Management contract are being effectively managed.</p>	Yes	Planned for October to December 2017.
PE	<p><b>Corporate Procurement Team, Procure to Pay (P2P)</b></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 current status report being finalised with clients. Further work is planned for November 2017 when an audit view will be given.
PL	<p><b>Highways Contract Management</b></p> <p>To assess whether the highways block of contracts are being effectively managed.</p>	Yes	Planned for October to December 2017.
PL	<p><b>Highways Contract Management: Use of the Insights System (Symology)</b></p> <p>To assess the robustness of the Council's arrangements for properly instructing the contractor to undertake work, confirm work has been done and payment due is accurate.</p>	Yes	Planned for October to December 2017.
CE	<p><b>Leases and Licences</b></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 Head of Internal Audit to review.
PL	<p><b>The Hive Business Incubation Centre</b></p> <p>To assess the robustness of arrangements for monitoring the delivery of the City Deal outputs detailed in the Service Level Agreement with the provider.</p>	Yes	Fieldwork complete. Draft report being produced.
<b><i>Implementing Action Plans</i></b>			
PE	<p><b>Corporate Procurement Team, Procure to Pay (P2P)</b></p>	Yes	Planned for November to December 2017.
PE	<p><b>Housing Allocations</b></p>	Yes	Work in progress.
PE	<p><b>"P" Cards</b></p>	Yes	Planned for October to December 2017.
CE	<p><b>Right to Buy</b></p>	Yes	Fieldwork complete.

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<b>Aim: Excellent</b>			
CE	<b>Debt Management</b> To assess whether the new corporate Debt Management strategy is being properly and consistently applied.	Yes	Planned for December 2017 to March 2018.
CE	<b>Housing Benefits: Risk Assessment of New Claims</b> To work proactively with officers to provide assurance that the proposed new automated risk profiling arrangements to determine the level of verification checks required to confirm entitlement, will be fit for purpose.	Yes	The need for this work is being reassessed as a result of the roll out of Universal Credit for all new claims.
PE	<b>Pre-payment Cards: Letting of Contract</b> To support the procurement exercise by challenging and advising on the robustness of controls for safeguarding Council and / or client monies loaded onto prepaid cards.	Yes	Terms of reference being produced.
PL	<b>Rechargeable Works</b> To assess whether the processes for collecting income for accidental damage to the highway have been effectively embedded into day to day working.	Yes	Planned for October to December 2017.
<b>Implementing Action Plans</b>			
PE	<b>Section 75 Partnership Agreement, Integrated Equipment Service</b>	Yes	Draft report with the Head of Internal Audit to review.
PL	<b>Works Contract Letting, St Helen's Roman Catholic School</b>	Yes	Finalising resources for this work.
<b>Aim: All</b>			
CE	<b>Apprenticeship Levy</b> To assess the Council's arrangements for using the levy to develop an effective apprenticeship scheme.	Yes	Postponed until 2018/19 when the Council's scheme will be developed.
PL	<b>IT Change Management</b> To assess whether there is an effective, corporate process for managing changes made to IT systems used by services.	No	Draft report with the Head of Internal Audit to review.
PL	<b>IT Systems and Network Access Controls</b> To assess the effectiveness of controls in place to restrict access to important Council system and network functions.	Yes	Terms of Reference being produced.

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CE	<p><b>Payroll, Self-Serve Module</b></p> <p>To assess whether the new arrangements for processing and approving expense, mileage and overtime allowances are working effectively.</p>	Yes	Terms of Reference being produced.
PL	<p><b>Smart City Project</b></p> <p>To:</p> <ul style="list-style-type: none"> <li>• determine the various elements of the project</li> <li>• assess the adequacy of the governance arrangements for delivering the project.</li> </ul>	Yes	Work in progress.
<i>Implementing Action Plans</i>			
PL	<b>IT Infrastructure and Asset Management</b>	No	Finalising resources for this work.
CE	<b>Welfare Reform</b>	No	Work in progress.
<b>Key Financial Systems</b>			
<b>Aim: All Aims</b>			
CE	<p><b>Financial systems work to support the production of the Council's Financial Statements</b></p> <p>To confirm that key controls in each of the key financial systems:</p> <ul style="list-style-type: none"> <li>• are designed to prevent or detect material financial errors, and</li> <li>• have been in place during 2017/18 and therefore, can be relied upon when producing the Council's Statement of Accounts.</li> </ul>	Yes	Currently discussing proposed coverage with BDO before producing a Terms of Reference.
CE	<p><b>Accounts Payable</b></p> <p>To assess whether the key control objectives in the Accounts Payable system effectively prevent or detect material financial errors, on a timely basis, so that this information can be relied upon when producing the Council's Statement of Accounts.</p>	Yes	Draft report being produced.
CE	<p><b>Payroll</b></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>	Yes	Draft report with the Head of Internal Audit to review.



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CE	<p><b>Other Key Financial Systems</b></p> <p>Approach to this work is still to be confirmed.</p> <p>To use computer-assisted audit techniques (CAATs) to automate audit testing and allow for a deeper analysis of large data sets.</p>	Yes	These systems are currently being risk assessed. An approach and programme of work will be then be produced.
<b>Grant Claims</b>			
	To certify, in all significant respects, that the conditions attached to the grant have been complied with.		
PL	<ul style="list-style-type: none"> <li>• <b>BEST Growth Hub</b></li> </ul>	Yes	It has been agreed with Essex County Council that this work is no longer required.
PL	<ul style="list-style-type: none"> <li>• <b>Coastal Communities Fund</b></li> </ul>	Yes	Deleted as the Council did not receive any grant funds in 2016/17.
PE	<ul style="list-style-type: none"> <li>• <b>Disabled Facilities Grant</b></li> </ul>	Yes	Work in progress.
PL	<ul style="list-style-type: none"> <li>• <b>Highways Maintenance Challenge Fund</b></li> </ul>	Yes	Work in progress.
PL	<ul style="list-style-type: none"> <li>• <b>Local Transport Plan Block Funding</b></li> </ul>	Yes	Work in progress.
PL	<ul style="list-style-type: none"> <li>• <b>Local Growth Fund</b></li> </ul>	Yes	Completed.
PL	<ul style="list-style-type: none"> <li>• <b>Pothole Action Fund</b></li> </ul>	Yes	Work in progress.
PE	<p><b>Troubled Families Programme, Payments by Results Scheme Grant</b></p> <p>To challenge Troubled Families Payment By Result (PBR) Grant returns are in line with the Department for Communities and Local Government requirements.</p>		Report on the May / June 2017 grant claim work is being produced.
<b>Advice and Support</b>			
To provide independent review, support and challenge to assist with the delivery of the groups' objectives and work programme.			
	<p><b>Attendance at Groups</b></p> <p>To provide supportive, critical challenge as required</p>		
	<ul style="list-style-type: none"> <li>• External Grant Funding Group</li> </ul>		Attend as required.

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	<ul style="list-style-type: none"> <li>• Good Governance Group</li> </ul>		The Head of Internal Audit attends.
PE	<p><b>Early Years Funding – Nursery Settings in Schools</b></p> <p>To assess the effectiveness of the arrangements being developed to confirm the accuracy of funding claimed by the Council for schools.</p>	Yes	Terms of Reference being produced.
CE	<p><b>RIPA</b></p> <p>To work with the Counter Fraud &amp; Investigation Directorate to provide the Director of Legal &amp; Democratic Services with support to set up a process for auditing the use of social media sites and the internet for investigative or official business, across all departments, in line with the requirements of the Council's RIPA Policy.</p>	No	Work in progress.
PL	<p><b>Safety of Gas Boilers in the Council Estate</b></p> <p>To assess whether robust processes have and are being followed by Southend on Sea Borough Council (the Council) when examining issues raised by a complainant regarding potential non-compliance with Gas Safety (Installation and Use) Regulations.</p>	Yes	Work completed and feedback provided.
<b>Managing Delivery of the Audit Plan</b>			
	Audit Planning, Resourcing		
	Managing Contractor Work		
	Reporting to Management Team and Audit Committee		
	Contingency		
	Preparing for statutory, independent external assessment against UK Public Sector Internal Audit Standards		

### *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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<b>Schools Audit Programme</b>			
<b>Aim: Prosperous</b>			
PE	<b>Virtual School</b> 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 to review.
PE	<b>Schools Audit Programme</b> 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"> <li>• Earls Hall Primary School</li> </ul>	Yes	Draft report with client.
	<ul style="list-style-type: none"> <li>• Leigh North Street Primary School</li> </ul>	Yes	Draft report with client.
<b>Other Clients</b>			
PE	<b>Adult Social Care Local Authority Trading Company</b> To develop an internal audit risk assessment, Charter, Strategy and Audit Plan for 2017/18.	Yes	Research completed. Just confirming our appointment with the Deputy Chief Executive (People) and the Chief Executive.

## Appendix 1: Internal Audit Plan 2017/18

<b>Resource Allocation</b>	
<b>Audit Activities</b>	<b>Resource allocation</b>
Managing the Business	10%
Managing Service Delivery Risks	69%
Key Financial Systems	5%
Grant Claims	4%
Advice and Support	3%
Managing Delivery of the Audit Plan	9%
<b>Total</b>	<b>100%</b>
<b>Total Council Audit Plan Days</b>	
	<b>928</b>

The days required to revisit and retest action plans from previous reports are included under each heading.

The Total Council Audit Plan Days:

- reflects the:
  - higher cost of buying in external contractors to cover internal vacancies
  - time required this year to organise the external inspection of the service by the Institute of Internal Auditors as required by the UK Public Sector Internal Audit Standards
- excludes the schools work programme which is funded separately.

<b>Analysis Over Departments</b>		
		%
<b>CE</b>	<b>Chief Executive</b>	<b>17%</b>
<b>PE</b>	<b>People</b>	<b>43%</b>
<b>PL</b>	<b>Place</b>	<b>37%</b>
<b>All</b>	<b>Cross cutting</b>	<b>3%</b>
	<b>Total</b>	<b>100%</b>