

Appendix 2: Internal Audit Plan 2015/16

| Dept | Council activity and focus of audit work | Work type | Status as at 10 June 2016 |
|--|---|-----------------------|-------------------------------------|
| Managing the Business | | | |
| Aim: Excellent | | | |
| All | Business Continuity To assess whether the Council has effectively analysed the results of Operation Meltdown and introduced the required improvements. | Core | Draft report produced. |
| All | Complaints Handling To assess whether stage one and two complaints have been handled in compliance with the policy. | Core | Draft report to be produced. |
| PE | Partnership Management: Section 75 Agreements To assess whether Section 75 agreements clearly set out the service requirements and how the service will be managed on an ongoing basis. | Core | Draft report with client. |
| All | Procurement To provide critical but supportive challenge as the Head of Procurement develops and implements the new procurement and contract management. | Core Fraud Risk | Draft report produced. |
| All | Risk Management 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. | Core | Draft report with client. |
| All | Risk Management To assess whether project risks are properly understood and consistently defined in accordance with the Council's Risk Management Strategy and Toolkit. | Core | Draft report with client. |
| Managing Service Delivery Risks | | | |
| Aim: Safe | | | |
| PL | Licensing To assess whether licence applications are effectively and promptly processed and all due income is received | Core Fraud Risk | Report issued November 2015. |

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| Aim: Clean | | | |
| | <p>Repair and Renew (Flooding) Grant To certify approved claims for the flood support scheme as required by the memorandum of understanding between the Department for the Environment, Food and Rural Affairs and the Council.</p> | New In year risk | Grant Claim signed off November 2015. Unqualified opinion given. |
| Aim: Healthy | | | |
| | <p>Adult Social Care Services</p> | | |
| PE | <p>To assess whether improvement actions identified by the Care Quality Commission inspections are effectively and promptly dealt with.</p> | Core | Audit deleted as there were no outstanding inspection reports to be reviewed. |
| PE | <p>Assessment of Personal Budgets To assess whether personal budgets paid by direct payments are valid, accurate and complete as per the client's assessed needs.</p> | Core Fraud Risk | Draft report with client. |
| PE | <p>Financial Monitoring of Direct Payments To assess whether there are robust financial monitoring arrangements in place to ensure payments directly to clients are used properly.</p> | New Core Fraud Risk | Audit postponed until 2016/17 as the service is still developing the arrangements in this area. |
| PE | <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> | Core | Work completed July 2015. |
| PE | <p>To assess whether residential care placements are effectively and economically procured to meet the client's assessed needs.</p> | Core Fraud Risk | Insufficient resource available to complete by the end of March 2016. |
| PE | <p>Fostering and Adoption To assess whether payments to foster and adoption parents are valid, accurate and complete.</p> | Core Fraud Risk | Draft report to be produced. |

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| Aim: Healthy | | | |
| | Safeguarding | | |
| PE | To assess whether any required improvement actions identified by the review of the arrangements to prevent child sexual exploitation have been formed into a robust action plan and implemented in a timely manner. | Core | Interim feedback provided. Further work being done with the service as part of the 2016/17 Audit Plan. |
| PE / PL | 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. | Core | Draft report to be produced. |
| PE | Special Educational Needs To assess whether allocations of Special Educational Needs budgets to schools are accurately calculated and there is effective use of top up funding to those with most acute needs. | Core | Report issued June 2016. |
| PH | 0 to Five Year Old Commissioning 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 affordable delivered future years | In year risk | Draft report produced. |
| CS | Essential Living Fund To assess whether there are robust procedures in place for the accurate, consistent, timely and appropriate award of grants from the Essential Living Fund and that arrangements to monitor expenditure against the fund are effective. | Core | Report issued September 2015. |
| PH | Health Protection 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. | Core | Draft report with client. |

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| PE | <p>School Improvement</p> <p>To assess whether any required improvement actions identified by the review of the School Support and Improvement Board have been effectively implemented in a timely manner.</p> | Core | Draft report produced. |
| PE | <p>Schools</p> <p>This programme of work is funded by schools directly and the audit resource is bought in through the framework contract.</p> | Core Fraud risk | See Schools Audit Programme section below. |
| Aim: Prosperous | | | |
| PL | <p>Development Control</p> <p>To assess whether planning applications are effectively and promptly processed and all due income is received</p> | Core Fraud Risk | Report issued November 2015. |
| PL | <p>Local Growth Fund and City Deal</p> <p>To assess whether the projects as part of the Local Growth Fund and City Deal are well managed to ensure they deliver their required outcomes, to timetable and budget meeting any associated terms and conditions.</p> | Core | Assurance provided by external sources as part of obtaining the grant funding so audit no longer required. |
| PL | <p>Southend City Deal Grant</p> <p>To certify, in all significant respects, that the conditions attached to the grant have been complied with.</p> | New | Grant Claim signed off January 2016. An unqualified opinion given. |
| PE | <p>Schools Audit Programme: Finance Management and Governance</p> <p>This programme of work is funded by schools directly and resourced through the framework contract.</p> | Fraud Risk | See below for details. |
| PE | <p>Strategic Housing</p> <p>To assess whether robust governance and operational planning arrangements have been or are being established to set up a Local Authority Housing Company to deliver increased numbers of affordable housing.</p> | In year risk | Deleted as further work on the project is still required before an audit would be appropriate. |
| PL | <p>Local Transport Plan, A127 and Pothole Repair Grants.</p> <p>To certify, in all significant respects, that the conditions attached to the grant have been complied with.</p> | Grant Claim | Grant Claims signed off September 2015. Three unqualified opinions given. |
| PL | <p>Local Sustainable Transport Fund Grant</p> <p>To certify, in all significant respects, that the conditions attached to the grant have been</p> | New | Grant Claim signed off March 2016. An unqualified opinion given. |

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| | complied with. | | |
| PE | Troubled Families Intervention To challenge Troubled Families Grant returns in line with Department for Communities and Local Government requirements. | Grant Claim | Claims reviewed: <ul style="list-style-type: none"> • June 2015 • September 2015 • February 2016. |
| | To provide advice and support as the Extended Troubled Families Programme is developed. | Grant Claim | Interim feedback provided September 2015 and March 2016. |
| Aim: Excellent | | | |
| PE | Children's Services and Adult Services To assess whether the replacement IT system for CareFirst , the Children's Services and Adult Service case management system, is: | In year risks | |
| | <ul style="list-style-type: none"> • appropriately specified and selected, so audit focus will be how the package was procured | | Draft report with client. |
| | <ul style="list-style-type: none"> • implemented properly, so the audit focus will be the development of the project implementation plan. | | Draft report with client. |
| | Contract Letting To assess whether the A W Hardy works contract was let properly, met the clients' expectations and delivered in budget. | | Draft report with client. |
| | Contract Management To assess whether a sample of contracts are being effectively managed to ensure: <ul style="list-style-type: none"> • required outcomes are achieved • accurate and valid payments are made to the contractor and or income received. | Core Fraud Risk | (See contracts listed below) |
| PE | <ul style="list-style-type: none"> • Family Mosaic | | Report issued January 2016. |
| CS | <ul style="list-style-type: none"> • Cleaning Services Contract Management | | Report issued December 2015. |
| PL | <ul style="list-style-type: none"> • Highways Contract, Processing Payments | | Interim feedback provided. Additional work to be completed as part of the 2016/17 Audit Plan. |

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| PE | <p>Corporate Procurement Team To assess whether the Corporate Procurement Team is appropriately staffed and operating in a manner that complies with statutory requirements and recognised good practice.</p> | In year risk Core | Initial feedback provided. This is being followed up as part of the Procurement work contained in the Managing the Business section above. |
| PL | <p>Debt Collection To assess whether there are robust processes in place to ensure all debt due is cost effectively collected.</p> | Core Fraud Risk | Report issued to management June 2016. |
| CS | <p>IT Data Security To assess whether the relevant standards are met to ensure the Council's data is secure.</p> | Core | Draft report produced. |
| CS | <p>IT Disaster Recovery To assess whether there are robust plans and procedures in place to minimise the impact and duration of any distribution to the Council's services following a disaster incident.</p> | Core | Review deleted as new arrangements are being put in place. |
| CS | <p>IT Infrastructure To assess whether the ongoing management of IT fixed assets ensures the IT infrastructure meets the Council's service needs.</p> | Core (new) | Work in Progress. |
| CS | <p>IT Service Changes Benefits Realisation To assess whether there is evidence the new structures and processes are at an early stage delivering the required improvements in service outcomes.</p> | Core | Report issued August 2015. |
| CS | <p>Third Party Hosting To evaluate whether services hosted with third parties are effectively planned and managed.</p> | Core | Report issued December 2015. |

Key Financial Systems

Aim: Excellent

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.

| | | | |
|----|----------------------|-------------------------|-------------------------------------|
| CS | Accounts Payable | Annual Fraud Risk | Draft report to be produced. |
| CS | Accounts Receivable: | | |
| CS | • General | | Draft report produced. |

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| PE | • Social Care Debtors | | Report issued June 2016. |
| CS | Business Rates | | Report issued April 2016. |
| CS | Council Tax | | Draft report with client. |
| CS | General Ledger | | Draft report produced. |
| CS | Housing Benefit | | Draft report produced. |
| CS | Income Receipting and Banking | | Draft report with client. |
| CS | Payroll | | Report issued June 2016. |
| CS | Treasury Management | | Draft report with client. |
| CS | Payroll Improvement Project | | Feedback provided on the introduction of the "view your own payslip" function. <ul style="list-style-type: none"> • Update March 2016. |
| CS | Computer Assisted Audit Techniques (CAATs) | | Completed for Accounts Payable and Payroll audits. |

Implementing Action Plans

| | | | |
|-----|---|------|----------------------------------|
| All | Audit Reports to be Revisited To check that actions agreed have been implemented, properly, in a timely manner. | Core | |
| PL | Capital Project Management | | Report issued December 2015. |
| PE | Children's Social Care File Quality Assurance Review | | Report issued September 2015. |
| PE | Accounts Receivable, Social Care Debt | | Report issued June 2016. |
| | The Forum | | Draft report produced. |
| | Welfare Reform | | Draft report with client. |

Other Work

| | | | |
|-----|--|---------------------|---|
| N/A | The Leas Sun Shelter To assess whether proper processes have been followed by the Council when dealing with all matters relating to the Leas Sun Shelter in its roles as planning authority, land owner and custodian of the public space. | Fraud Risk | Work completed and feedback provided. No further action required. |
| PE | To fundamentally review the approach adopted to auditing schools to see if it is fit for purpose going forward, taking into account potential assurance available from other Council services. | New Core Fraud risk | Work completed February 2016. |

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| PE | To assess the level of assurance that can be placed on work being undertaken with schools by other services within the Council. | New Core | Work not required given the findings from the review to update the schools audit approach. |
| All | <p>Working with the Counter Fraud & Investigation Directorate</p> <p>To work collaboratively where an investigation identifies the need for an audit of an activity to ensure control weaknesses are properly mitigated or proactively on audits in the plan that are considered to be high fraud risks.</p> | Fraud Risk | |
| Managing Delivery of the Audit Plan | | | |
| | Audit Planning, Resourcing | | |
| | Managing Contractor Work | | |
| | Reporting to Management Team and Audit Committee | | |
| | Contingency | | |

Audit Plan Definitions

Departments:

- CS: Corporate Services
- PE: People
- PH: Public Health
- PL: Place

* **Core work** means those service activities that score as high risk (i.e. risk level 1 or 2 out of 4) from an audit perspective based on the criteria set out in the Internal Audit Strategy.

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| Schools Audit Programme | | | |
| Below is a complete list of all schools still requiring a full audit or revisit with regard to this three year programme of audit visits. It covers 2015/16 and 2016/17 as some action plans are not due to implemented until 2016/17. | | | |
| PE | Full Audits covering finance, management and governance To assess whether effective arrangements are in place to develop and implement a suitable strategic framework as well as organise, manage and control the specified activities | Fraud Risk | |
| | <ul style="list-style-type: none"> • Friars Primary School | | Report issued December 2015. |
| | <ul style="list-style-type: none"> • Hinguar Community Primary School | | Report issued December 2015. |
| | <ul style="list-style-type: none"> • Leigh North Street Primary School | | The infant and junior schools have now amalgamated to become Leigh North Street Primary School. The new school has requested a financial audit in 2016/17. |
| | <ul style="list-style-type: none"> • Our Lady of Lourdes Catholic Primary School | | Report issued November 2015. |
| | <ul style="list-style-type: none"> • St George's Catholic Primary School | | Report issued July 2015. |
| | <ul style="list-style-type: none"> • St Nicholas School | | Report issued September 2015. |
| 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 | | Draft report with client. |
| | <ul style="list-style-type: none"> • Bournes Green Infant School | | Report issued December 2015. |
| | <ul style="list-style-type: none"> • Chalkwell Hall Infant School | | Report issued June 2016. |
| | <ul style="list-style-type: none"> • Chalkwell Hall Junior School | | Draft report produced. |
| | <ul style="list-style-type: none"> • Eastwood Primary School | | Report issued September 2015. |
| | <ul style="list-style-type: none"> • Earls Hall Infant School | | The infant and junior schools have now amalgamated to become Earls Hall Primary School. The new school has requested a financial audit in 2016/17. |
| | <ul style="list-style-type: none"> • Friars Primary School | | Draft report to be produced. |

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| | <ul style="list-style-type: none"> • Futures Community College | | Report issued February 2016. |
| | <ul style="list-style-type: none"> • Hamstel Infant School | | Draft report produced. |
| | <ul style="list-style-type: none"> • Heycroft Primary School | | Draft report produced. |
| | <ul style="list-style-type: none"> • Hinguar Community Primary School | | 2016/17 Audit Plan. |
| | <ul style="list-style-type: none"> • Kingsdown School | | Draft report produced. |
| | <ul style="list-style-type: none"> • Milton Hall Primary School | | Draft report produced. |
| | <ul style="list-style-type: none"> • Our Lady of Lourdes Catholic Primary School | | 2016/17 Audit Plan. |
| | <ul style="list-style-type: none"> • Porters Grange Primary School | | Report issued September 2015. |
| | <ul style="list-style-type: none"> • Seabrook College, Prittlewell (PRU) | | Draft report produced. |
| | <ul style="list-style-type: none"> • St Mary's Prittlewell C of E Primary School | | Report issued November 2015. |
| | <ul style="list-style-type: none"> • Sacred Heart Catholic Primary School | | Draft report produced. |
| | <ul style="list-style-type: none"> • St George's Catholic Primary School | | Draft report produced. |
| | <ul style="list-style-type: none"> • St Helen's Catholic Primary School | | Draft report produced. |
| | <ul style="list-style-type: none"> • St Nicholas School | | 2016/17 Audit Plan. |
| | <ul style="list-style-type: none"> • Thorpedene Primary School | | Report issued November 2015. |
| | <ul style="list-style-type: none"> • The Federation of Greenways Schools | | Draft report produced. |
| | <ul style="list-style-type: none"> • West Leigh Infant School | | These schools are becoming an academy on the 1 April 2016 so no further work is being undertaken. |
| | <ul style="list-style-type: none"> • West Leigh Junior School | | |