

## APPENDIX 2 TO SUMMARY PROGRESS REPORT: INTERNAL AUDIT PLAN 2011/12

LEAD DEPT	CORPORATE AIM SUPPORTED	LAST AUDITED	AUDIT ACTIVITY	STATUS / DATES PROPOSED
<b>MANAGING THE BUSINESS</b>				
P&I	All	Annually	Manager Assurance Statements	Work completed. Reported to June 2011 Audit Committee.
P&I	All	Not audited	<b>Assurance Framework</b>	The team is working with system owners to develop the framework for 2011/12. <b>Compliance with it will be tested in Q3</b>
<b>Key Corporate Business Processes</b>				
All	All	2006 / 07	<ul style="list-style-type: none"> <li>• Performance Management, focus team plans and staff appraisals (all directorates)</li> </ul>	The Terms of Reference has been agreed with the Head of Communications and HR
			<ul style="list-style-type: none"> <li>• <b>Children and Learning</b></li> </ul>	<b>Field work substantially complete</b>
			<ul style="list-style-type: none"> <li>• <b>Adult &amp; Community Services</b></li> </ul>	<b>Work to start in Q3</b>
			<ul style="list-style-type: none"> <li>• Enterprise, Tourism and the Environment</li> </ul>	
			<ul style="list-style-type: none"> <li>• <b>Support Services</b></li> </ul>	<b>Work to start in Q3</b>
SS	All	2009 / 10	<ul style="list-style-type: none"> <li>• <b>Financial Management / Value for Money</b></li> </ul>	<b>Work covered by the Delivering Saving Programme Review</b>
P&I	All	2009 / 10	<ul style="list-style-type: none"> <li>• Data Quality - spot checks on systems and accuracy of PIs</li> </ul>	<b>May be deferred</b>
			<ul style="list-style-type: none"> <li>• <b>Procurement / Compliance with Contract Procedure Rules</b></li> </ul>	<b>Summary findings reported in Appendix 3</b> <b>Detailed feedback still to be provided to each directorate on the purchases tested</b>
SS	All	Not audited	<ul style="list-style-type: none"> <li>• <b>Information Management</b></li> </ul>	<b>Terms of Reference agreed</b> <b>Work to start in Q3</b>
<b>Total on Managing the Business</b>				<b>160</b>

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<b>MANAGING SERVICE RISKS</b>				
<b>ACS</b>	<b>Risk based jobs</b>			
	3, 4, 5	2006 / 07	<ul style="list-style-type: none"> <li>Library Service including the Elmer Square capital project</li> </ul>	<b>Completed September 2011</b>
	1, 3, 4, 5	2007 / 08	<ul style="list-style-type: none"> <li>Integrated Locality Restructuring</li> </ul>	<b>Terms of Reference being drafted but may be deferred</b>
	All	2006 / 07	<ul style="list-style-type: none"> <li>Value for Money Review of ALMO / Implications of Changes to HRA</li> </ul>	To be undertaken in Q3 / Q4 <b>May be deferred</b>
<b>ACS</b>	<b>Critical Friend / Ad Hoc Work</b>			
			<ul style="list-style-type: none"> <li>None to date</li> </ul>	
<b>C&amp;L</b>	<b>Risk based jobs</b>			
	3, 4	Not Audited	<ul style="list-style-type: none"> <li><b>Contract Management of Early Years Sure Start Contracts</b></li> </ul>	<b>Terms of Reference Agreed Work to start in Q3</b>
	4	Not Audited	<ul style="list-style-type: none"> <li><b>Home to School Transport</b></li> </ul>	<b>Terms of Reference Agreed Work to start in Q3</b>
<b>C&amp;L</b>	<b>Critical Friend / Ad Hoc Work</b>			
	4, 5	Not Audited	<ul style="list-style-type: none"> <li><b>School Improvement Service</b></li> </ul>	<b>Work to start in Q3</b>
			<ul style="list-style-type: none"> <li><b>Ad Hoc Review at a School: Compliance with Financial Procedures</b></li> </ul>	<b>Draft Report with Client</b>
<b>ET&amp;E</b>	<b>Risk-based jobs:</b>			
	All	New	<ul style="list-style-type: none"> <li>Managing Change within the Department for Enterprise, Tourism and the Environment</li> </ul>	Terms of Reference Agreed
			<ul style="list-style-type: none"> <li><b>Administrative Support</b></li> </ul>	<b>Work in Progress</b>
			<ul style="list-style-type: none"> <li><b>Regulatory Services</b></li> </ul>	<b>Work in Progress</b>
			<ul style="list-style-type: none"> <li>Highways and Traffic Management</li> </ul>	
<ul style="list-style-type: none"> <li>Area Enforcement Teams</li> </ul>				

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	All	Not Audited	<ul style="list-style-type: none"> <li>Monitoring / Management of Contracts</li> </ul>	Work substantially complete
	4, 5	2010 / 11	<ul style="list-style-type: none"> <li>Compliance with Contract Procedure Rules Revisit</li> </ul>	No longer relevant as this is being picked up as part of a corporate procurement project
<b>ET&amp;E</b>	<b>Critical Friend / Ad Hoc Work</b>			
			<ul style="list-style-type: none"> <li>CCTV Maintenance Contract Review</li> </ul>	Completed September 2011
<b>SS</b>	<b>Risk-based jobs</b>			
	All		<ul style="list-style-type: none"> <li>Fully evaluate the IT environment of the Council and produce an integrated plan of IT work</li> </ul>	Work to start in Sept 2011
<b>SS</b>	<b>Critical Friend / Ad Hoc Work</b>			
			<ul style="list-style-type: none"> <li>None to date</li> </ul>	
<b>P&amp;I</b>	<b>Risk-based jobs</b>			
			<ul style="list-style-type: none"> <li>None</li> </ul>	
<b>P&amp;I</b>	<b>Critical Friend / Ad Hoc Work</b>			
			<ul style="list-style-type: none"> <li>None to date</li> </ul>	
<b>All</b>	All		<b>Quarterly Follow Up of Recommendations Made</b>	Completed Q1 Completed Q2
<b>Total on Managing Service Risks</b>				<b>535</b>

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<b>MANAGING PARTNERSHIP RISKS</b>				
LSP	All	2010/11	Working in Partnership: Developing a Toolkit	<b>IA to work with the Partnership Team to ensure key governance type standards are included in the Toolkit.</b>
LSP	All	New	Health & Wellbeing Board: Governance / Operating Arrangements	
LSP	All		Business Continuity Arrangements, of the Council, Key Contractors and Partners	<b>Terms of Reference agreed Work in Progress</b>
LSP	1, 3, 4, 5	2010 / 11	Children & Learning: Serious Case Review: Additional Support	<b>Work in Progress</b>
<b>Other Potential Reviews</b>				
LSP	1, 3, 4, 5	2010/11	• Follow up reviews of Deep Dives progress made in implementing findings	<b>May be deferred</b>
			• Independent Living	
			• Mental Health	
			• Domestic Abuse	
LSP	All		• <b>Cross Partner Reviews of the public experience of a jointly provided / support cross partner working</b>	<b>A Cross Partner Audit Committee Member Workshop held Report to be drafted summarising proposals</b>
<b>Total on Managing Partnership Risk</b>				<b>60</b>

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**KEY FINANCIAL SYSTEMS**

<b>SS</b>	All	New	<b>Agresso Implementation</b> test check of transfer of opening balances	<b>To be completed a month before the system goes live.</b>
<b>SS</b>	All	Annually	<b>*General Ledger</b> (Main Accounting)	<b>Terms of Reference Agreed. Work programme produced. Work in Progress</b> For systems marked with *, this work will be completed twice (once for Cedar and then Agresso) between September and March. Other systems will be completed between December and March.
<b>SS</b>	All	Annually	<b>*Accounts Payable</b> (Creditors)	
<b>SS</b>	All	Annually	<b>*Accounts Receivable</b> (Debtors)	
<b>SS</b>	All	Annually	<b>*Cash and Banking</b> (Income)	
<b>SS</b>	All	Annually	<b>*Payroll</b>	
<b>SS</b>	All	Annually	<b>Housing Rents</b>	
<b>SS</b>	All	Annually	<b>Council Tax</b>	
<b>SS</b>	All	Annually	<b>Housing Benefit</b>	
<b>SS</b>	All	Annually	<b>National Non-Domestic Rates</b>	
<b>SS</b>	All	Annually	<b>Treasury Management</b>	

<b>Total on Key Financial Systems</b>	<b>190</b>
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**SCHOOLS**

<b>C&amp;L</b>	3, 4, 5	Annually	<b>Schools Cyclical Reviews</b> including Financial Management	Q3
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<b>Total on Schools</b>	<b>45</b>
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<b>CORPORATE PROJECTS</b>				
<b>All</b>	<b>All</b>	<b>New</b>	<b>Delivering the Savings Programme (joint review with PKF)</b>	<b>Completed September 2011</b>
<b>All</b>	<b>All</b>		<b>Delivery of Projects</b>	<b>Work to start in Q3</b>
<b>All</b>	<b>All</b>	<b>2010 / 11</b>	<b>Grant Work</b>	
		<b>Not audited</b>	<ul style="list-style-type: none"> <li><b>Arrangements to comply with grant terms and conditions</b></li> </ul>	<b>Completed September 2011</b> Approach and guidance re bidding for grants is to be produced in Q3.
<b>ET&amp;E C&amp;L</b>			<ul style="list-style-type: none"> <li><b>Sample check of compliance with grant terms and conditions</b></li> </ul>	<b>Feedback provided on 1 of the 5 grants reviewed. Others are substantially complete.</b>
<b>Critical Friend / Ad Hoc Work</b>				
<b>SS</b>	<b>All</b>	<b>New</b>	<ul style="list-style-type: none"> <li><b>Agresso Implementation Project</b></li> </ul>	<b>Ongoing. Monthly Project Boards are attended and support / challenge provided as required.</b>
<b>Total on Corporate Projects</b>				<b>110</b>

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<b>OTHER AUDIT WORK</b>				
<b>Corporate Fraud and Corruption Support</b>				
<b>ALL</b>	4, 5	New	<ul style="list-style-type: none"> <li>Establishing appropriate arrangements to comply with the Bribery Act 2010</li> </ul>	<b>Terms of Reference agreed</b> <b>Work in Progress</b>
		Annually	<ul style="list-style-type: none"> <li>Maintaining the corporate framework</li> </ul>	The Anti Fraud & Corruption, Whistleblowing and Anti Money Laundering Policies, Strategies and supporting Action Plan updated and reported to the Audit Committee in June 2011
		New	<ul style="list-style-type: none"> <li>Setting up a data warehouse</li> </ul>	A Terms of Reference agreed Work commenced on setting up an appropriate framework to enable data matching to take place
		Annually	<ul style="list-style-type: none"> <li><b>National Fraud Initiative</b></li> </ul>	Data matches were received in January 2011 and allocated to services to review Audit Committee progress reports provided: <ul style="list-style-type: none"> <li>June 2011</li> <li><b>Sept 2011</b></li> </ul>
<b>Grant Certification Work</b>				
			<ul style="list-style-type: none"> <li>Stroke Care Grant</li> </ul>	<b>Audit no longer required</b>
			<ul style="list-style-type: none"> <li>Contact Point</li> </ul>	<b>Audit no longer required</b>
			<b>Potential Grant Certification Work</b>	
			<ul style="list-style-type: none"> <li><b>Play Builder Grant</b></li> </ul>	<b>The need for audit of the grant is currently being assessed.</b>
<b>South Essex Homes</b>				
<b>SEH</b>	All	Annual	Separate Audit Plan	17 reviews in the 2011/12 Audit Plan of which: <ul style="list-style-type: none"> <li>3 completed</li> <li>2 work in progress</li> </ul>
<b>Total on Other Audit Work</b>				<b>167</b>

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<b>MANAGING THE AUDIT PLAN</b>				
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N/A	N/A	N/A	<b>Audit Planning and Resourcing</b>	
N/A	N/A	N/A	<b>Reporting to Management Team and Audit Committee</b>	

<b>Total on Managing the Audit Plan</b>				<b>85</b>
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<b>APPROX TOTAL NUMBER OF AUDIT DAYS</b>				<b>1,300</b>
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# The number of days the team can deliver in 2011/12 will reduce as a result of the departure of a team member. The impact of this is still being evaluated.



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KEY TO CORPORATE AIMS		KEY TO LEAD DEPARTMENTS	
<b>Corporate Aims</b>	<b>Reference</b>	<b>ACS</b>	Adults & Community Services
Safe	1	<b>C&amp;L</b>	Children and Learning
Clean	2	<b>ET&amp;E</b>	Enterprise, Tourism & the Environment
Healthy	3	<b>SS</b>	Support Services
Prosperous	4	<b>P&amp;I</b>	Policy & Improvement
Excellent	5	<b>LSP</b>	Local Strategic Partnership
		<b>SEH</b>	South Essex Homes

TIME ALLOCATION	INDICATIVE	
	Days	%
Managing the Business	160	12
Managing Service Risks	535	41
Managing Partnership Risks	60	4
Key Financial Systems	190	14
Schools	45	3
Corporate Projects	110	8
Other	167	12
Managing the Audit Plan	85	6
<b>TOTAL AVAILABLE</b>	<b>1,300</b>	<b>100</b>